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A SPECIAL REPORT Pages 19 - 23 GERMANY

Herald INTERNATIONAL Tribune

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PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper R London, Tuesday, December 9, 1997 No. 35,699

Swiss Banks Set the Ball Rolling

Competitors Forecast a Flurry Of Mergers in Europe for '98

By Tom Buerkle
International Herald Tribune

LONDON — By agreeing Monday to merge and form the world's second-largest bank, Union Bank of Switzerland and Swiss Bank Corp. set a new standard for financial concentration that increases the pressure on other European banks to combine forces.

The $59 billion deal culminates a year of increasingly large mergers in the financial services industry, primarily involving U.S. investment banks and European banks. Analysts predicted that the deal-making will heat up, especially in Europe, because the powerful forces behind the mergers are intensifying.

Financial deregulation and the growth of securities markets and mutual funds have eroded the special status of banks and forced them to find new ways to generate profits.

Technology is revolutionizing the industry as the spread of automated teller machines and home banking allow banks to reach more customers with fewer branches and employees. The logic of globalization demands that banks grow to a size that would have been unthinkable only a few years ago in order to compete in offering loans, securities underwriting and trading and investment advice around the world.

In Europe, the pressure on banks is acute because the planned 1999 introduction of the single currency is expected to erode barriers between national markets and foster the growth of a handful of giants operating on a pan-European basis.

"This is the fuse being lit in the real consolidation of European banking and financial services," said Philip Middleton, *chief banking analyst at KPMG.* "There's going to be a real upheaval."

The merger will cause a true upheaval in Switzerland, where the two banks plan to eliminate 7,000 jobs over three to four years, an unprecedented mass layoff for a country in its seventh straight year of virtually zero economic growth. The potential to cut costs in the Swiss market was a main reason for the deal.

The announcement also jolted London's financial district, where the two banks plan to eliminate as many as 3,000 high-priced investment banking employees. Only last week, bankers were celebrating news that employee bonuses in the City of London's financial services industry this year would top a record £1 billion ($1.66 billion).

All told, the new bank expects to shed 13,000 of its combined 56,000 employees worldwide.

Marcel Ospel, the Swiss Bank chief executive who will occupy the same position at the combined company, to be called United Bank of Switzerland, explained the rationale behind the deal, which could be described as merge or be submerged.

"We want to be in the top third of the top 30 global banks because we're convinced that the bottom third is going to disappear," Mr. Ospel said.

Particularly in investment banking, where the U.S. mergers this year that created Morgan Stanley Dean Witter and Salomon Smith Barney have raised the ante dramatically in the global competition, "critical mass is moving north at a rapid pace," he said.

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Swiss Bank veteran to meld the staffs. Page 13.

Johnny Eggitt/Agence France-Presse

Marcel Ospel, left, chief of Swiss Bank, and Mathis Cabiallavetta, head of UBS, announcing the deal.

IMF Takes On More Authority And New Risks

World's Financial Turmoil Turns Fund Into Regulator

By Richard W. Stevenson and Jeff Gerth
New York Times Service

WASHINGTON — For more than 50 years, the International Monetary Fund has been imposing austerity plans on countries in crisis. But with the bailout package it agreed to with South Korea last week, the Fund is pushing far more deeply than ever before into the day-to-day operations of one of the world's largest economies.

The program will include many of the usual IMF prescriptions, including raising interest rates and taxes, to deal with financial problems that were more dire than the South Korean government had acknowledged. But the program will try to go much further to overcome stiff resistance within South Korea and bring sweeping changes to a business culture built on close coordination and cronyism between the government and crucial industries such as automotive, shipbuilding and steel.

As the rescue of South Korea suggests, the financial crisis that has spread across East Asia has marked a turning point in the role of the IMF. Long a stern monitor of general economic probity in developing nations, it has been forced, along with the World Bank and other institutions, to take on bigger, more complex and riskier roles in recent

Thailand closes 56 finance firms. Page 13.

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Yannis Behrakis/Reuters

ISLAMIC SUMMIT — President Hafez Assad, left, and Mohammad Khatami of Iran at a welcoming ceremony Monday for the Syrian leader as Muslim heads of state arrived in Tehran for a conference. Page 4.

Ousting Iranian, Russia Signaled U.S. on Arms

Yeltsin Cooperates in Curbing Tehran's Drive

By Joseph Fitchett
International Herald Tribune

PARIS — With Iraq occupying center stage last month, it passed almost unnoticed when Moscow announced the expulsion of an Iranian diplomat for trying to buy Russian missile engine blueprints.

But the news caused jubilation in the Clinton administration's foreign policy team. "He was their top guy," a U.S. official said, characterizing the Iranian — whose name has not been published — as the point man in Russia for Tehran's drive for weapons.

"Looks like we finally got Yeltsin's ear," said a State Department official. For Washington, it was a down payment on pledges from President Boris Yeltsin that he would stop Russians from helping Iran develop weapons of mass destruction.

China has given the Clinton administration similar assurances about suspending nuclear cooperation with Iran and cutting sales of conventional missiles. In reward, as foreshadowed during a U.S.-Chinese summit meeting in October, the White House will announce, perhaps as early as this week, that it has decided to authorize exports of U.S. nuclear technology to China for the first time.

For more than a year, the Iranian diplomat had shopped in military facilities, research labs and defense companies for plans, components and people. He was so successful that Russians ended up supplying most of the outside help necessary for Iran's efforts to develop chemical, biological and even nuclear warheads and ballistic missiles to deliver them.

Indicating a crackdown on this traffic, U.S. intelligence reported, the Russians singled out "the hot component" — meaning the key technology needed by the Iranians as the next step in developing their advanced armaments.

For Tehran, the hot component these days is an engine for ballistic missiles capable of targeting Baghdad, Riyadh or Tel Aviv and perhaps even cities in southern Europe. Help with sophisticated motors is precisely what the Iranian diplomat was shopping for, U.S. officials said.

By terminating his purchases, Moscow sent an unmistakable message to insiders — in Tehran, in Russian armaments circles and in Washington — that Russia's most dangerous technologies were off-limits for Iran.

The Yeltsin commitment seemed to augur success for a major U.S. initiative to stop the flow of know-how and equipment from Russia's shadowy military-industrial complex, parts of which may still be colluding with Iran.

In still largely secret diplomacy over the last nine months, culminating in ultra-sensitive intelligence exchanges, the Clinton administration has sought to convince Moscow that the Iranian question had to be solved or U.S.-Russian relations, in-

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Clinton Meets With Dissident Despite Chinese Denunciations

Wei Reportedly Tells President That Release of One Prisoner By Beijing 'Is Not Enough'

By Brian Knowlton
International Herald Tribune

WASHINGTON — Wei Jingsheng, the recently released Chinese dissident, met Monday with President Bill Clinton at the White House, four days after the Beijing authorities demanded that U.S. officials not grant an audience to a man they consider a common criminal.

"The president has heard a lot about him and is anxious to meet him to exchange views," the White House spokesman, Michael McCurry, said before the afternoon meeting.

Mr. Clinton had said shortly after China released Mr. Wei, ostensibly on grounds of ill health, that he wanted to meet with him. But the meeting was not announced until just hours before it took place, apparently to avoid offending Beijing unnecessarily.

On Thursday, the Foreign Ministry in Beijing denounced any meeting between Mr. Wei and U.S. officials.

"We are opposed to U.S. government officials meeting Wei Jingsheng and we are opposed to making use of Wei Jingsheng in anti-Chinese activities," said the ministry spokesman, Tang Guoqiang. "Wei Jingsheng is a criminal."

His release Nov. 16 came amid a dramatic normalization of U.S.-Chinese ties that had been crowned in late October by the state visit of President Jiang Zemin to Washington.

In addition, China trade relationship with the United States is becoming increasingly tightly wound. A centerpiece of the Clinton-Jiang meeting — China's promise to stop nuclear assistance to Iran in exchange for being allowed to purchase U.S. civilian nuclear technology — provides further incentive for both sides to maintain a productive relationship, analysts say.

Chinese objections to the meeting with Mr. Wei were shrugged off by the White House. Some human rights groups wrote off the Chinese objection as pro forma.

"I think the two governments have established a framework, and clearly there is an understanding that it is in both governments' interests to be able to point to some progress in human rights," said Michael Jendrzejczyk of Human Rights Watch/Asia, a group that has worked with Mr. Wei since his arrival in the United States last month.

Any concerns that Beijing may have about the meeting, Mr. Jendrzejczyk added, will be far overshadowed by a desire not to upset plans for a state visit by Mr. Clinton next year. Mr. Wei's release was believed to have been a quid pro quo for the Jiang visit.

The dissident, who is 47, arrived in Detroit on Nov. 18 for medical treatment. After 18 years in and out of

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Gore Leaves Climate Talks in a Blur

His Unfulfilled Vow of Flexibility Breeds Puzzlement and Anger

By Kevin Sullivan and Joby Warrick
Washington Post Service

KYOTO, Japan — Vice President Al Gore's one-day whirl through the global climate conference here cheered some people, enraged others, but left most confused about his message and whether it would have any significant impact on the remaining two days of negotiations on a treaty to combat global warming.

By the time a visibly jet-lagged Mr. Gore headed for the airport Monday night, a top European Union official had rebuked him, Congressional Republicans had lambasted him, China had ignored him and a deeply divided environmental community was left wondering whether their longtime ally had helped or hindered the complex negotiations.

"Al Gore flew all this way, and we see no change at all in the U.S. position," said Gary Cook, a spokesman for Greenpeace. "He raised a lot of hopes, but so far there's been no action."

In a speech Monday morning, Mr. Gore promised more "flexibility" from American negotiators, but did not offer specifics. After nonstop meetings with officials from the European Union, Japan, developing nations, environmentalists, industry representatives and journalists, Mr. Gore offered few clues about what flexibility he had in mind.

"We have no numbers, no text," said Pierre Gramegna of Luxembourg, a key official of the EU delegation, which has proposed the deepest cuts in emissions of the "greenhouse gases" that are thought to cause global warming.

The harshest criticism of Mr. Gore came from Rin Bjerregaard, the EU environment commissioner, who

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Ailing North Korea Is Hanging on Tight As Peace Talks Open

By Sonni Efron
Los Angeles Times Service

TOKYO — North Korea may be a seriously ailing nation, but in characteristic defiance of foreign predictions, it is refusing to die.

Now, conventional wisdom in Japan and the United States is shifting. Instead of preparing for imminent collapse, North Korea-watchers in Tokyo, Washington and other capitals are trying to work out the best way — if any — to deal with a Kim Jong Il regime that could survive for an unknowable time to come.

"Back in March, people were ready to write North Korea's obituary, but now, since the victim refused to die in the time period allocated, there's been some revision," said Nicholas Eberstadt of the American Enterprise Institute in Washington.

U.S. officials are braced for a diplomatic marathon scheduled to begin Tuesday, when, after a 44-year hiatus, the combatants in the Korean War — North and South Korea, China and the United States — will sit down in Geneva to try to negotiate a peace treaty to replace the armistice that ended the war. The stated agenda is "the establishment of a peace regime on the Korean Peninsula and issues concerning tension reduction there."

Mindful of the militarized enmity that now prevails, a senior U.S. official predicted that the talks could last "at least a few years." Others believe they could take a decade.

The cynical view is that the North Koreans will engage only in "meetings for money" and will try to play Washington and Beijing against each other to the North's benefit.

The most optimistic view is that the negotiating process — in Geneva or at other talks — could lead to a pullback of troops on both sides of the Demilitarized Zone, more progress on locating American MIAs, and even the scrapping of North Korea's suspected chemical, biological and long-range missile arsenals in exchange for trade and investment.

Russia — which is now supplying arms to North and South Korea — and Japan eventually will want to be included in the talks and should be guarantors of any final pact, said Hajime Izumi of Shizuoka University.

To some observers, North Korea's survival up to now seems nothing short of miraculous. It has been seven years since the Soviet Union abruptly pulled the foreign aid plug on the client regime of the late President Kim Il Sung.

The Seoul-based Bank of Korea estimates that the North Korean economy shrank about 30 percent between 1991 and 1996, and three years of floods and drought have gutted the North's food supply, which was already meager. Nevertheless, Kim Jong Il has

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For Toyota, France's Pull Outweighs Its Reputation

By Gregory Viscusi
Bloomberg News

PARIS — If France is a hostile place to invest, as many French business leaders say, somebody must have forgotten to tell Toyota Motor Corp.

French industrialists are battling with the government over its plan to cut the workweek, claiming it will make it harder for them to compete with foreign companies. On Tuesday, though, Japan's Toyota is expected to announce details of a new car plant it will build in France.

The plant is widely expected to be built in the northern city of Valenciennes and is thought to be the largest Japanese investment ever in France. It follows similar moves recently by International Business Machines Corp., Motorola Inc., Federal Express Corp. and Daimler-Benz AG's Mercedes-Benz unit.

Since 1991, only the United States and China have attracted more than the $120 billion in foreign investment that has gone to France. Foreign companies account for 24 percent of French industrial output and 33 percent of its exports. In the first eight months of this year, overseas investment in France reached 73.5 billion francs ($12.39 billion), up from 70.1 billion francs in the comparable period last year. Toyota is expected to invest 3.5 billion francs.

Industrialists say any decision on where to invest is based on a variety of factors. In France's case, the good points outweigh high taxes, high salaries and sometimes inflexible labor regulation.

"France has lots of things going for it: geography, the size of its market and the strength of the French economy and work force," said Reed Feldman, an American lawyer in Paris who wrote a study for the American Chamber of Commerce in France on barriers to investment here. "There are things that

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Newsstand Prices

Bahrain	1.000 BD	Malta	55 c
Cyprus	C £ 1.00	Nigeria	12600 Naira
Denmark	14.00 DKr	Oman	1.250 OR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10 SR
Egypt	£E 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	700 Fils	Zimbabwe	Zm.$40.00

AGENDA

Winnie Mandela Fails in Political Bid

President Nelson Mandela's former wife, Winnie Madikizela-Mandela, has failed to win formal nomination as deputy leader of the governing African National Congress. The failure to gain the nomination followed her nine-day appearance before the Truth Commission, where she was accused of kidnapping, assault and murder. Page 2.

The Dollar

New York	Monday @ 4 P.M.	previous close
DM	1.7897	1.7826
Pound	1.6477	1.659
Yen	130.525	130.20
FF	5.9885	5.9653

The Dow

	Monday close	previous close
-38.29	8110.84	8149.13

S&P 500

change	Monday @ 4 P.M.	previous close
-1.42	982.37	983.79

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The IHT on-line www.iht.com

Oleg Nikishin/The Associated Press

SEARCH FOR A CHILD IN SIBERIA — A woman looking Monday for the body of her 13-year-old son in the rubble caused by the crash of a cargo jet in Irkutsk. The authorities said that they did not expect to find any more survivors of the crash, which killed at least 48 people.

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'Friendly' Barrier / **U.S.-Mexico Division**

Hoping Good Fences Make Good Neighbors

By Sam Howe Verhovek
New York Times Service

NOGALES, Arizona — When the U.S. government decided to build a barrier against the flow of illegal immigrants and drugs across the border between Mexico and this Arizona desert town, it drew up a list of official specifications.

The barrier, it said, must be resistant to "repeated physical assault by means such as welding torches, chisels, hammers, firearms, climbing over or penetration with vehicles."

And one other thing, the government said: Make the barrier absolutely as friendly-looking as possible, something that will evoke the friendship between the two nations.

As the specifications put it, "Means shall be provided to allow light and a feeling of openness to be present along the perimeter of the barrier."

The 14-foot-high (4.2-meter) result, to which workers here are just now putting the final touches, is a most unusual piece of architecture, intended to be forbidding yet friendly, inimical but somehow inviting all at the same time.

Federal officials hope the structure will serve as a prototype as the United States, which already has 62 miles (100 kilometers) of steel walls and chain-link and barbed-wire fences along its border with Mexico, replaces those barriers and adds more along other parts of the border.

Here at the Dennis DeConcini Port of Entry in Nogales, the new quarter-mile concrete structure, which officials prefer to call a fence rather than a wall, separates the downtowns of the Nogales in Arizona and its sister city of Nogales in the Mexican state of Sonora.

FEDERAL officials insist the barrier is necessary to deter illegal immigration and drug smuggling and, most important, to protect federal agents and customs inspectors who have been shot at in several episodes along the border in recent years.

The structure, which took six months to erect under the supervision of the U.S. Customs Service, replaces an ugly, rusting fence built from steel landing mats used by U.S. forces in Vietnam 30 years ago, a fence with edges so sharp that several Mexican citizens who have tried to scale it have lost their fingers.

The concrete is steel-reinforced, but it is also salmon-colored, inlaid with multicolored stone chips and with tiles that eventually may be decorated with children's art. The structure has large blue-trimmed openings built into it, covered with steel grating that has small holes, through which people may look across the border and even talk to each other.

"When we started, the design problem seemed to us an almost impossible contradiction in terms," said Peter Dubin, a principal in the Chicago-based architectural design firm that got the contract for the $750,000 barrier project.

The project is being paid for by the United States; the Mexican government is no fan of the barriers.

"The idea was, on the one hand, make it an impenetrable barrier," Mr. Dubin said. "On the other hand, it was, make it some grand piece of architecture that opens up the borders between north and south. Make it light and open and airy and friendly."

Delighted government officials say the new barrier achieves their aims.

"It works," said Joe Lafata, deputy port director with the Customs Service here. "And it really did come out very pleasing, as far as the color and texture are concerned."

Whether the structure will be judged to be a success by architecture critics and by the residents on both sides, remains to be seen.

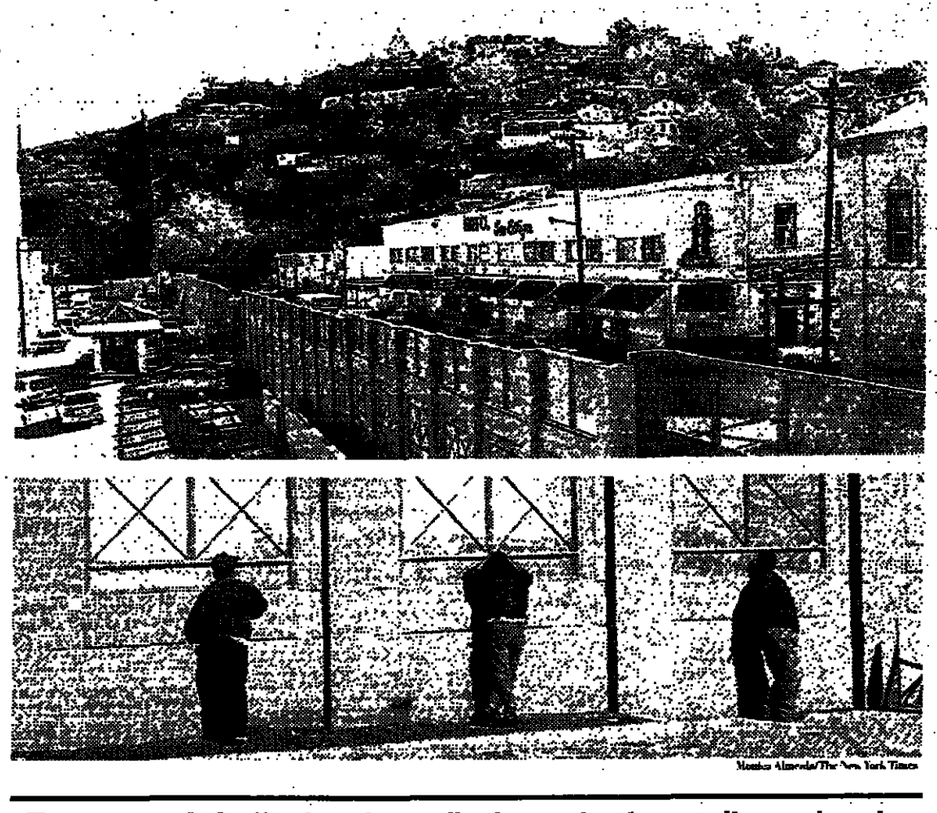
On the Mexican side, especially, many people wish there were no barriers between the two countries. With the Berlin Wall having come crashing down in Europe and with the United States promoting free trade with its Latin neighbors, they ask why walls and fences are going up at all? "I would prefer no wall," said Fabio Monroy, 36, who runs a popular hangout on the Mexican side.

"It all seems very inconsistent" Mr. Monroy said. "We have NAFTA, we're supposed to be friends, but we have this big wall dividing us."

And yet, if there must be a barrier, there seems to be almost universal agreement that the new structure is infinitely more appealing than the military landing mats. "It is more aesthetic," said Wenceslao Cota Montoya, mayor of the Mexican city of Nogales. He described the new structure with the Spanish word *digno*, which loosely translates to "worthy" or "meritorious."

On the American side, Paul Bracker, owner of a department store a block from the border, helped lobby for the new fence. He said it was a vast improvement over the landing-mat structure.

"It was an affront to the people, our neighbors to the south, as well as ourselves," Mr. Bracker said.



Monica Almeida/The New York Times

The structure, which officials prefer to call a fence rather than a wall, runs along the thin line that separates the downtowns of the Nogales in Arizona and its sister city of Nogales in the Mexican state of Sonora. People on either side can peer through.

Mandela Thwarted in Political Try

Her Bid for No. 2 Job In ANC Is Said to Fail

Reuters

JOHANNESBURG — President Nelson Mandela's former wife, Winnie Madikizela-Mandela, has failed to win formal nomination as deputy leader of the governing African National Congress, state radio and party sources said Monday.

State radio said the ANC Women's League, of which Mrs. Madikizela-Mandela is president, decided over the weekend not to make any proposals for senior positions when the party holds its 50th national conference next week.

The decision followed Mrs. Madikizela-Mandela's nine-day appearance before the Truth and Reconciliation Commission, where she was accused of kidnapping, assault and murder.

Mrs. Madikizela-Mandela, who was divorced by Mr. Mandela last year, denied all the allegations.

A party spokesman, Ronnie Mamoepa, confirmed that the Women's League was not entitled to make a direct nomination for the post and said Jacob Zuma, the ANC's leader in KwaZulu-Natal Province, was the only formal candidate for the post.

He said, however, he was not an authorized spokesman for the Women's League, which was expected to make a statement on the matter soon.

Women's League officials were unavailable for comment, but a party source confirmed that the league had decided over the weekend to withdraw its support for Mrs. Madikizela-Mandela's nomination.

Mrs. Madikizela-Mandela, 63, is president of the Women's League and had been named by the organization as their choice for the post of deputy leader of the ANC, which ousted South Africa's white rulers in elections in 1994.

Mr. Mandela, 79, will step down as party leader at the conference and Deputy President Thabo Mbeki currently is the only candidate for the position.

ANC leaders have identified Mr. Zuma as their preferred candidate for the position of deputy leader, which will become vacant when Mr. Mbeki takes control.

■ **Testimony on Biko's Death**

An apartheid policeman testified Monday that he drove a semiconscious, naked Steve Biko 1,100 kilometers from Port Elizabeth to Pretoria in 1977, then lied to prison medical officials about Biko's condition, The Associated Press reported from Port Elizabeth.

"I told the men," the former policeman, Brigadier General Daniel Siebert said to the Truth commission, "that there was an assumption he was making as if he was sick" and that Mr. Biko was on a hunger strike.

Mr. Biko, a major anti-apartheid figure in South Africa, died Sept. 12, 1977, of brain injuries. His death came several days after he was beaten by police during an interrogation, then driven in the back of a police pickup truck from Port Elizabeth to Pretoria.

Congo's President Keeps the Door Closed to Political Opposition

By Howard W. French
New York Times Service

KINSHASA, Congo — When Arthur Z'Ahidi Ngoma decided last week to test the waters in the new Congo to see just how much space there was for opposition politicians, the answer he got was as swift as it was brutal.

On the second day of a political forum organized by Mr. Ngoma, a former United Nations official and leader of a small political group called the Forces of the Future, Congolese security forces cordoned off the area around the city-center hotel where the event was being held.

Warned by associates not to approach the area, Mr. Ngoma tried to continue the meeting at his house. But heavily armed police officers burst into his compound, spewing tear gas and firing live rounds into the air, arresting all who were gathered there.

Once in detention, Mr. Ngoma and those in attendance, including foreign and Congolese journalists, were reportedly stripped and beaten, some receiving as many as 40 lashes.

According to Kitwanga Ngoma, Arthur Ngoma's brother and one of those beaten, a police officer said: "You people want to take power and make us go back into the forest. Why are you making so much political noise?"

While most of the 20 or so people who were arrested have been released, Arthur Ngoma remains in detention under the new government of Laurent Kabila.

Before Mr. Kabila overthrew the dictator, Mobutu Sese Seko, Mr. Ngoma was a relatively obscure member of the political class that forced Marshal Mobutu to accept multiparty politics although it paid the price of arrests, beatings, exile and occasional executions.

From his jail cell, Mr. Ngoma managed to have smuggled out a defiant note, scribbled on a scrap of paper and sent to a foreign journalist, saying that his country's opposition politicians must be willing to make sacrifices like these again. "We have been subjected to illegal detention, physical and moral torture, and inhumane conditions of detention," he wrote. "But if this is the price we must pay, it is worth it for democracy."

In one of his first acts after overthrowing Mr. Mobutu in May, Mr. Kabila, now the president, banned political activity by any party but his own, the Alliance of Democratic Forces for the Liberation of Congo. Six months later, there is little sign that Mr. Kabila's government intends to loosen its hold on the country's politics.

One week before Mr. Ngoma's arrest, the police broke up a meeting in the capital called by the largest opposition party, the Union for Social Democracy and Progress.

Under Mr. Kabila's government, several members of the party have spent months in jail. And members of that party and others have been turned away at the airport, denied the right to travel abroad, or had their houses and offices ransacked. Critical Congolese journalists have been repeatedly arrested.

Congo has the unusual distinction of having been the home of one of Africa's longest-running dictatorships — that of Marshal Mobutu, who ran the country under the name of Zaire — and having a tradition of energetic pluralism.

From 1990 to the time of Marshal Mobutu's downfall this year, politicians like Mr. Ngoma, and the leader of the Union for Social Democracy and Progress, Etienne Tshisekedi, were able to chip away at Marshal Mobutu's sweeping powers to the point where he was forced to allow open opposition.

Mr. Tshisekedi served briefly three times as prime minister, but was unable to wrest power from Marshal Mobutu.

Many here hoped that Mr. Kabila would cooperate with the established opposition, but the new president, who for years operated an obscure guerrilla movement in the country's far east, decided almost immediately to govern with his party alone.

"What we want in this country is peace, so that we can develop," said a senior Interior Ministry official who spoke on condition of anonymity. "You people can complain about democracy, but what we need most is peace."

Mr. Kabila has promised multiparty elections in two years. Until then, his alliance is the only political party allowed to organize openly.

In a measure apparently aimed at cooling domestic dissent, placating foreign donors and perhaps dividing the opposition, Mr. Kabila has invited some second-tier members of the opposition into his government, where they occupy secondary roles, but has insisted that they drop any party affiliation.

Many in the opposition say that they have no intention of submitting to Mr. Kabila's transition plan.

"Our margin of maneuver is nil," said Joseph Kapika, a senior member of the Union for Social Progress and Democracy. "But we must dare to speak up, whatever the cost. The price of not doing so is seeing another dictatorship take root."

TRAVEL UPDATE

Johannesburg's Carlton Shrinks

JOHANNESBURG (Reuters) — The Carlton Hotel, now a modern skyscraper but with a history linked to Johannesburg's 19th-century gold rush, closed all its bedrooms in the main hotel at the end of last week, managers said Monday.

That leaves just 63 rooms open in an annex out of the original 600 rooms, a result of plummeting trade related to rampant street crime that over the last decade has caused an exodus of shops, offices, hotels, theaters and restaurants to the malls of the more affluent suburbs.

The Hard Rock Cafe in Tel Aviv — sandwiched between the sites of two gruesome suicide bombings — has closed down, a casualty of slumping tourism to Israel, a spokesman for a group of foreign investors said Monday. *(Reuters)*

Corrections

An article Friday misstated facts about the death and internment of Joseph Brodsky. He died in January 1996 and was given final burial in Venice last June.

A report on NATO expansion Monday misidentified Karsten Voigt, a member of the German Parliament.

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.

Jetstream — Unseasonably Cold — Unseasonably Mild — Heavy Rain — Heavy Snow

North America
A soaking rain will affect much of the East Coast of the U.S. Wednesday to Friday with snow over the interior. Cold air will continue to affect the central United States Wednesday to Friday. Snow will fall across the interior north

Europe
Dry and mild in London and Paris Wednesday, but turning windy and cooler Thursday with some rain. Drying out Friday. Partly to mostly sunny, warm and dry in Madrid. It should be dry in Rome Wednesday and Thursday, but showers are possible Friday. Cold with snow and flurries in Moscow.

Asia
Milder weather will return to Beijing Wednesday through Friday. Chilly air will filter into Tokyo Wednesday and Thursday, but it should return to normal by Friday. Very cold in eastern Mongolia and Manchuria with some snow and flurries. Mainly dry and seasonable in Shanghai through the period.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hos, W-Weather.

Maps, forecasts and data provided by AccuWeather, Inc. ©1997 • http://www.accuweather.com

Europe

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Algarve	18/64	11/52 pc	19/66	13/55 s
Amsterdam	8/46	6/43 r	11/52	9/48 r
Ankara	4/39	-4/25 r	3/37	-5/24 pc
Athens	10/50	6/43 c	11/52	7/44 pc
Barcelona	13/55	7/44 pc	15/59	12/53 sh
Belgrade	4/39	0/32 pc	5/41	2/35 sh
Berlin	5/41	2/35 sh	3/48	7/44 s
Brussels	8/46	5/41 sh	12/53	10/50 r
Budapest	3/37	2/35 sh	5/43	4/39 sh
Copenhagen	7/44	4/39 sh	7/44	5/41 sh
Costa Del Sol	19/66	11/52 pc	20/68	13/55 pc
Dublin	12/53	5/46 pc	13/55	6/43 c
Edinburgh	9/48	5/43 r	3/48	6/43 r
Florence	11/52	4/39 sh	13/55	9/48 pc
Frankfurt	7/44	3/37 c	7/44	4/39 sh
Geneva	5/41	1/34 sh	9/48	7/44 r
Helsinki	3/37	0/32 c	3/37	0/32 sn
Istanbul	10/50	3/37 c	9/48	5/41 pc
Kiev	-4/25	-9/16 pc	-3/27	-5/24 pc
Las Palmas	23/73	18/64 pc	23/73	19/66 s
Lisbon	15/59	10/50 pc	16/61	12/53 pc
London	11/52	8/46 sh	10/50	7/44 pc
Madrid	13/55	6/43 pc	10/61	7/44 s
Mallorca	17/62	6/43 pc	17/62	11/52 pc
Milan	8/48	0/32 c	9/48	7/44 pc
Moscow	-8/22	-9/16 c	-4/25	-5/24 sn
Munich	6/43	1/34 sh	6/43	4/39 c
Nice	13/55	7/44 c	16/61	13/55 pc
Oslo	5/41	2/35 sh	6/43	3/37 pc
Paris	9/48	5/41 c	12/53	6/43 s
Prague	6/43	2/35 c	6/43	5/41 r
Reykjavik	2/37	-1/31 sn	3/37	-2/29 c
Riga	3/37	1/34 c	3/37	1/34 sn
Rome	11/52	6/43 c	14/57	7/44 pc
St. Petersburg	1/34	-2/29 sn	1/34	-3/27 sn
Stockholm	6/43	3/37 c	5/41	2/35 sh
Strasbourg	7/44	3/37 sh	11/52	10/50 r
Tallinn	4/39	1/34 c	3/37	1/34 sn
Thilisi	18/68	7/44 r	8/46	-4/25 r
Venice	8/48	3/37 c	10/50	7/44 pc
Vienna	5/41	2/35 c	8/46	4/39 pc
Warsaw	4/39	1/34 c	6/43	3/37 pc
Zurich	5/41	1/34 r	9/48	7/44 r

Middle East

Abu Dhabi	27/80	17/62 s	28/82	18/61 s
Beirut	19/66	15/59 r	19/66	13/55 sn
Cairo	18/64	9/48 s	18/64	10/50 pc
Damascus	13/55	7/44 r	14/57	7/44 sh
Jerusalem	12/53	5/41 pc	13/55	7/44 sh
Luxor	23/73	3/37 s	22/71	5/41 s
Riyadh	28/79	16/61 pc	28/79	11/52 pc

Africa

Algiers	16/61	10/50 sh	17/62	9/48 pc
Cape Town	23/73	11/52 pc	22/71	13/55 s
Casablanca	19/66	11/52 pc	21/70	13/55 s
Harare	27/80	9/48 pc	28/82	8/46 pc
Lagos	31/88	23/73 pc	31/88	23/73 pc
Nairobi	26/79	15/59 sh	27/80	13/55 pc
Tunis	18/61	9/48 c	15/59	8/46 c

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Almaty	7/44	-4/25 c	9/48	-1/31 pc
Bali	33/91	23/71 sh	33/91	23/71 pc
Bangkok	28/82	18/64 pc	27/80	19/64 pc
Beijing	-7/20	-12/11 pc	-1/31	-10/15 pc
Bombay	29/82	14/57 s	29/82	16/68 s
Calcutta	24/75	18/64 c	25/77	16/61 pc
Chiang Mai	24/75	13/55 c	23/73	11/52 pc
Colombo	29/84	24/75 r	29/84	23/73 r
Hanoi	17/62	10/50 pc	18/61	9/48 pc
Ho Chi Minh	32/89	21/70 c	32/89	21/70 c
Hong Kong	18/61	11/52 c	15/59	11/52 pc
Islamabad	23/73	4/39 pc	24/75	7/44 s
Jakarta	30/86	23/73 r	30/86	23/73 c
Karachi	28/82	12/53 s	29/84	13/55 s
K. Lumpur	32/89	23/73 sh	31/88	24/75 sh
K Kinabalu	29/84	23/73 c	29/82	23/73 sh
Manila	31/88	21/70 pc	29/84	21/70 s
New Delhi	18/64	7/44 r	18/64	9/48 pc
Phnom Penh	29/84	21/70 c	29/84	20/68 pc
Phuket	28/82	18/64 pc	27/80	18/64 pc
Rangoon	29/84	17/62 pc	29/84	18/64 s
Seoul	-4/25	-16/4 pc	-7/20	-8/18 pc
Shanghai	6/43	4/25 s	3/37	-5/24 s
Singapore	28/82	23/73 r	28/79	23/73 t
Taipei	16/61	11/52 r	14/57	9/48 pc
Tokyo	17/62	10/50 pc	11/52	6/43 s
Vientiane	28/79	11/52 pc	23/73	11/52 pc

North America

Anchorage	-5/24	-7/20 sf	-1/31	-7/20 sf
Atlanta	12/53	6/43 c	13/55	2/35 pc
Boston	6/43	1/34 pc	4/39	-3/27 pc
Chicago	2/35	-2/29 sf	3/37	-4/25 c
Dallas	16/61	-1/31 s	10/50	1/34 pc
Denver	1/34	-9/16 sf	-3/27	-12/11 c
Detroit	3/37	1/34 sf	4/39	-3/27 sf
Honolulu	29/79	18/64 pc	29/77	18/64 pc
Houston	22/71	7/44 s	18/61	5/41 pc
Los Angeles	17/62	7/44 s	19/66	3/37 s
Miami	29/84	19/66 s	28/82	21/70 pc
Minneapolis	-1/31	-4/25 c	-1/31	-8/18 c
Montreal	1/34	-7/20 pc	-2/29	-11/13 c
Nassau	29/84	22/71 s	28/82	22/71 pc
New York	6/43	3/37 pc	6/43	2/35 r
Orlando	26/79	18/61 t	26/79	14/57 pc
Phoenix	14/57	1/34 s	12/53	2/35 pc
San Fran	12/53	4/39 s	12/53	4/39 s
Seattle	6/43	3/37 c	7/44	3/37 s
Toronto	3/37	-1/31 c	2/35	-7/20 sn
Vancouver	4/39	1/34 c	8/46	4/39 pc
Washington	7/44	3/37 r	9/48	2/35 pc

Latin America

Buenos Aires	26/79	16/61 pc	25/77	13/55 t
Caracas	28/82	18/64 s	27/80	20/68 s
Lima	26/79	20/68 c	26/79	20/68 s
Mexico City	24/75	9/48 s	20/68	6/43 pc
Rio de Janeiro	27/80	19/66 pc	26/79	18/64 pc
Santiago	28/82	9/48 pc	25/77	8/46 pc

Oceania

Auckland	18/64	13/55 c	18/64	11/52 c
Sydney	25/77	19/66 r	21/70	14/57 pc

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THE AMERICAS

A 50-Year Consensus Bends as U.S. Increasingly Looks Inward on Trade

By Steven Pearlstein
Washington Post Service

WASHINGTON — Last month, as economic turmoil in Asia threatened to spread to South Korea and Japan, the Federal Reserve Board's chairman, Alan Greenspan, and the deputy Treasury secretary, Lawrence Summers, went to Capitol Hill to explain why it was happening and what could be done to stop it.

Around the world, financial markets waited nervously for their testimony. But for an hour, the two men sat silently as members of the House Banking Committee lectured them about human rights violations in Indonesia, the declining wages of blue-collar workers and the folly of using money from U.S. taxpayers to bail out foreign countries that were stealing American jobs.

When they finally got a chance to speak, Mr. Greenspan and Mr. Summers pleaded with committee members to increase the U.S. contribution to the International Monetary Fund as the best way to contain the Asian contagion. But their pleas fell on deaf ears: Congress adjourned for a two-month holiday after stripping the new IMF money from the annual appropriations bill as a result of an unrelated dispute over abortion.

This episode is the latest illustration of what many observers view as a retreat from the internationalist consensus that has governed U.S. economic policy for 50 years. No longer, it seems, is there an unchallenged belief that Americans are better off when their economy is open and their government assumes the burdens of leadership in world affairs.

The recent defeat of "fast-track" trade authority in Congress was the most dramatic evidence that this consensus may be unwinding, but there are other indications as well.

The public remains largely opposed to U.S.-funded financial rescues for foreign economies. Opposition to the Mexican bailout two years ago was so intense that the Clinton administration was reluctant to take part in the first of this year's Asian rescues in Thailand. Congress's recent refusal to approve IMF funding led a top Fund official to warn Friday that the agency could find itself strapped for resources if it was called upon to deal with other looming crises. There also is widespread concern that the United States has handed over too much authority to international organizations like the World Trade Organization, which last week ruled against Eastman Kodak Co. in its effort to open Japanese markets to American products.

Impatience with the old internationalism also is reflected in recent attempts by Congress to impose economic sanctions on allies who refuse to follow the U.S. lead on foreign policy issues.

To Washington veterans, these are signs that the United States has become increasingly isolationist, protectionist and nationalistic in its economic affairs. They even have a name for the phenomenon: globalphobia.

"This is a period of unparalleled lack of understanding and interest in international economic matters," said Arden Judd, a lobbyist for Dresser Industries Inc. "You don't seem to have the appreciation of the importance of U.S. actions on the world scene."

James Baker, a former Republican secretary of state and Treasury, said the past six months have evidenced "a regrettable retreat from the country's internationalist tradition."

One reason the old internationalist consensus lasted as long as it did is that policy-making was left to an élite group of Americans — public officials, economists, corporate executives and editorial writers — who cared deeply about multilateral institutions, embraced free trade and never doubted that the world was better off when the United States took the lead.

But as the globalization of finance and the dramatic increase in trade touched nearly every American as a worker, consumer and investor, the public has become less willing to defer to policy élites.

A large number of Americans blame that globalization for slow economic growth or a decline in their standard of living, even as they flock to imported goods and shift their retirement money to overseas investments.

At the same time, a wide range of special interest groups — from labor unions, environmentalists and human rights activists on the political left to Christian fundamentalists, anti-abortion activists and isolationists on the right — have become unlikely bedfellows in an emerging coalition that rejects the old consensus.

In addressing Mr. Summers and Mr. Greenspan last month, Representative Barney Frank, Democrat of Massachusetts, complained that, in the past, concerns about human rights or growing inequality were treated as mere distractions by policymakers.

"When adults sit down to serious business, other concerns get brushed off," Mr. Frank said. "All that counts in the end is the mobility of capital. Well, let me tell you, that's about to end."

A similar warning was issued last week at Harvard University by the House minority leader, Richard Gephardt, Democrat of Missouri, who called for a "new internationalism" that adheres as much to American values as it does to the dictates of the marketplace.

"In a new era of globalization, the forces of commerce and technology are weaving the world closer together" but was "pulling our own people further part," Mr. Gephardt said. "Our challenge is once again to link capitalism with values and standards."

Such populist rhetoric on international economic issues has now become commonplace, used with equal effect by liberals such as Mr. Frank and Mr. Gephardt and conservatives such as the commentator Patrick Buchanan, the Senate Banking Committee's chairman, Alfonse D'Amato, Republican of New York, and the Senate Foreign Relations Committee's chairman, Jesse Helms, Republican of North Carolina.

In the past, presidents and congressional leaders could justify internationalist policies as a necessary step to shore up the anti-Communist fire wall during the Cold War, said Pietro Nivola, a scholar at the Brookings Institution. "Now, however, that large strategic architecture is gone, and things like free trade and support for the IMF are casualties of that," he said.

Erik Peterson, director of the project on the new global economy at the Center for Strategic and International Studies, notes that because of retirements and elections, Congress has lost most of the centrist Democrats and Republicans who formed the nucleus of the internationalist élite.

POLITICAL NOTES

Convention Whirl Opens

WASHINGTON — In the "it is never too early" category, the national political parties are beginning to scope out locations for their conventions in 2000.

The Democratic National Committee sent letters to officials in 27 cities last week inviting them to submit proposals to hold the event. Having the convention in their city could mean "economic benefits, national and international attention and political exposure," said the letter from the co-chairmen of the Democratic National Committee, Steve Grossman and Governor Roy Romer of Colorado. "Based on Chicago's estimates, the 1996 convention generated more than $130 million for the city in direct economic benefits."

Among the cities invited are two in Vice President Al Gore's home state of Tennessee and two in Missouri, the state of Richard Gephardt, the House minority leader and one of Mr. Gore's potential rivals.

The Republicans named a Wyoming woman to run their site-selection committee: Jan Larimer, vice chairwoman of the Republican National Committee for the Western states. *(WP)*

Greg Gibson/The Associated Press

President Bill Clinton at a church in Washington, where he said he was determined to make the capital a "shining city on the hill for all America."

Angry Porsche Driver

WASHINGTON — First came the anonymous letter.

"On Dec. 2, Rep. Bill Thomas, driving his black Porsche 928, cut off a Department of Defense van picking up four DoD employees at a crosswalk in front of the Rayburn House Office Building." The letter said Mr. Thomas "verbally assaulted the DoD driver for stopping in front of him."

They thought Mr. Thomas was "a possible terrorist," but "all five DoD employees escaped unharmed."

Then a House source called two days later to say she was "walking behind a group of four men" right around lunch time Tuesday when a van stopped in the crosswalk to pick them up. The van blocked someone in a Porsche who leaned on the horn "loudly and for a long time," then drove around the van and cut it off in the front on a 45-degree angle. "It was right out of 'Magnum, P.I.,' a totally '70s cop show driving maneuver." The Porsche driver ran into a nearby Capitol Police substation in the Longworth House Office Building and "came back with three cops, pointing his finger and yelling" at the people in the van, she said.

An aide, after verifying that Mr. Thomas was driving the Porsche that day, not his usual BMW, said the van was stopped in the middle of the street. Mr. Thomas, a California Republican who is chairman the House Oversight Committee, is thinking of "putting up a sign that the middle of the road is not a pickup spot — use the curb," the aide joked. *(WP)*

Quote/Unquote

President Bill Clinton pledging to work more closely with officials in the District of Columbia: "I don't believe our national government has always been the best neighbor to the city of Washington. But we are committed to becoming a better neighbor." *(WP)*

Clinton's Record: Accumulation of Small Ideas

By James Bennet and Robert Pear
New York Times Service

WASHINGTON — By legislation, regulation and exhortation, President Bill Clinton has generated a remarkable number of seemingly modest initiatives.

Though often derided as political gestures, some of the little ideas, from advocating school uniforms to insuring overnight hospital stays for new mothers, have had significant influence around the country. Taken together, Mr. Clinton's initiatives have produced coherent and substantial changes in health care, and to a lesser extent in education and social services.

His ideas are screened by pollsters and picked in part to enhance his popularity. But brick by brick, Mr. Clinton is proving himself to be the incremental president, accomplishing piecemeal some of what he cannot do all at once.

Having defeated him in some head-on fights, the president's political opponents now worry that he is achieving his goals by other means.

"President Clinton is still trying to get his health care plan into law, piece by piece," said Representative Dick Armey, Republican of Texas, who is House majority leader. "President Clinton would like nothing more than a triumph of incrementalism whereby he enacts his entire Health Security Act before he leaves office."

In an interview Thursday, the president became most animated when it was suggested that many of his policy initiatives seemed small-bore. Leaning forward in his yellow armchair, he began scooping the air with his hands as he repeatedly stretched out the word "bi-i-ig" to describe his supposedly little notions.

"A lot of these so-called small ideas make a big difference," Mr. Clinton said. He and his aides maintain that, while many of their initiatives are ridiculed as piddling by politicians in Washington, they loom large in classrooms and at dinner tables everywhere else.

Dealt a series of legislative defeats at the end of Congress's last session, belittled as a lame duck and beset by campaign finance charges, Mr. Clinton is trying to retain the political initiative in Washington and his grip on the public's attention. To do so, he is relying on an approach he developed from hard experience in his first term.

In September 1993, Mr. Clinton brandished a red, white and blue "health security card" before Congress and proposed to reshape one-seventh of the nation's economy. But after the crushing defeat of his health care proposal, Mr. Clinton found himself the first Democratic president since Harry Truman facing Republican majorities in both houses of Congress. His commitment to reducing the federal budget deficit — which his aides are coming to view as one of his foremost accomplishments — further restricted his freedom to propose costly programs.

But Mr. Clinton remained absorbed by domestic policy and eager to prove his political relevance by making it, his associates say. As a result, since 1995 the president has continuously experimented with the powers of his office to generate initiatives, relying more on executive orders and the bully pulpit.

"We developed a process by necessity in the wake of the '94 elections where we had to spend a lot more time focusing on executive action," said Bruce Reed, director of Mr. Clinton's Domestic Policy Council. "And I think, you know, we have the drill down now."

Many outside the administration mock the slender ideas, and they have become fat political targets. In a speech Tuesday, Representative Dick Gephardt, the House minority leader, who has been positioning himself as a Democratic alternative to Vice President Al Gore in the next presidential race, declared, "Too often, our leaders seem enamored with small ideas that nibble around the edges of big problems."

Charles Jones, a political scientist at the University of Wisconsin, offered a more nuanced view. He said that the "trivialization of presidential power" under Mr. Clinton had enabled the president to define a role for himself when, by his own admission, the era of big government is over.

"Here is a guy on a lifetime search for issues, a policy-ambitious president who would like to see himself in the tradition of great Democratic presidents," Mr. Jones said. "But he is hemmed in politically. Clinton has found a way to be an activist president in political conditions that would suggest inactivity by the government."

"Why should the president be interested in these common, ordinary household issues?" Mr. Jones asked. "They show his empathetic quality, his understanding of the little problems that people truly face. And they show there is still a critical role for national political leaders to play when we don't have great big thundering economic or international crises."

His final campaign is behind them, but the president's aides still seize ideas for political purposes, to advance his chosen themes: community, opportunity and responsibility. They still commission polls to test the popularity of new ideas. But Mr. Clinton's aides argue that the ideas also make good policy, furthering his efforts to improve education and training, cut crime and protect children.

Away From Politics

• A construction project gave way and nearly a ton of bricks fell off the side of a 40-story office building in New York City. Most of them were caught by a safety net, but debris fell onto a crowded street in Manhattan, injuring a 3-year-old girl. *(AP)*

• A woman who gained prominence for cutting off her husband's penis but was acquitted in 1994 for reason of insanity was arraigned on charges of assault, the police in Woodbridge, Virginia, said. Lorena Gallo, formerly Lorena Bobbitt, allegedly struck her mother. *(Reuters)*

• An 11-year-old boy was arrested on suspicion of arson after a fire that caused $175,000 in damage at a Dallas elementary school. *(AP)*

• Two private planes collided in the air near Bozeman, Montana, killing three people. *(AP)*

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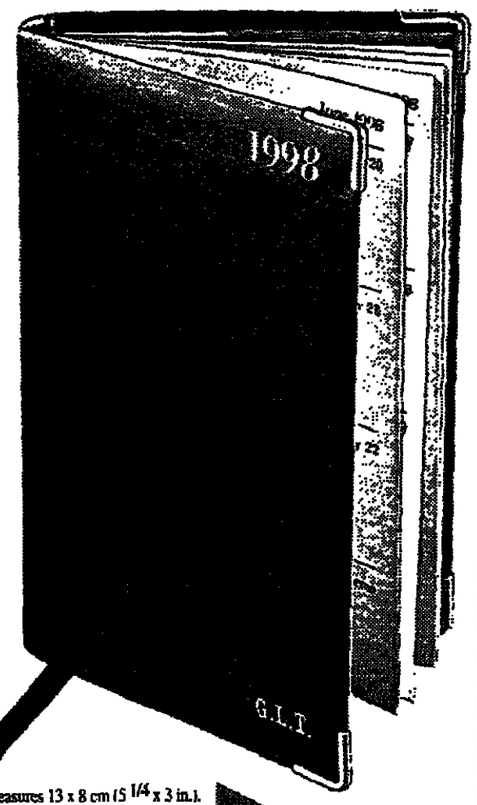

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EU to Open Talks With Six Nations

Enlargement Won't Add Turkey for This Round

By Barry James
International Herald Tribune

BRUSSELS — European Union foreign ministers Monday night upheld a decision to open enlargement negotiations with six nations next year, while leaving formal talks with an additional five for later.

The ministers' decision will form the basis for formal invitations to the candidate nations at the European summit meeting in Luxembourg on Friday and Saturday. The talks would begin in April.

The ministers, however, arrived at no decision on Turkey's request to join the Union.

Foreign Minister Jacques Poos of Luxembourg said a special process would be established for Turkey that "will involve specific meetings with that country with a view to discussing various problems."

One diplomat put it this way, "We are fudging, we are fudging, we are fudging."

The ministers, in effect, accepted the recommendation of the European Commission, the EU executive body, that only six countries are able to comply with the Union's 80,000 pages of laws, directives and other membership requirements. The countries are Cyprus, the Czech Republic, Estonia, Hungary, Poland and Slovenia.

Mr. Poos said the five other countries — Bulgaria, Latvia, Lithuania, Rumania and Slovakia — would be closely associated with the enlargement process, and that negotiations for them to join could open at any time if they could meet the political and economic conditions. In the meantime, they will receive 100 million European Currency Units in additional aid in 1998 and 1999 to help them catch up with the more advanced candidates in such areas as privatization and modernization of their economies, combating fraud and absorbing foreign direct investment.

The ministers also recommended establishing a conference to include all candidates for entry, including Turkey. But this may fall short of the demand that Turkey has been making for membership for more than a quarter of a century.

Ankara's record on human rights and press freedom, the backwardness of its economy and the fact that most of the nation is in Asia make it an unlikely candidate for Union membership.

But it is also the linchpin of Europe's southern flank as a member of the North Atlantic Treaty Organization, which analysts said was one reason why the EU has never been able to rule out eventual membership.

Theodoros Pangalos, the Greek foreign minister, indicated that Athens might veto an attempt to set up a conference that included Turkey. He said there was no sense in setting up yet another body when there was nothing of substance to discuss. "It is aimed at creating impressions," he said. "It would simply be a structured dialogue."

Before Turkey could engage in meaningful talks with the EU, he said, it should improve its record on human rights and accept the jurisdiction of the International Court of Justice in its territorial disputes with Greece. Above all, he added, there could be no closer relations with Ankara if Turkey tried to obstruct Cyprus's request for EU membership.

Turkey has occupied the Turkish-speaking part of the island since 1974 in defiance of UN resolutions. Mr. Pangalos said he hoped that Turkish-Cypriots would be represented in the talks for EU accession.

Mr. Pangalos also maintained that Turkey did not meet a single criterion for EU membership.

"The trouble is that Turkey is too big," he said. "It has too much territory, too many people and too little money. Let's work on getting more money for Turkey."

Luke Frazza/Agence France-Presse

Hearing Opens on Crash of TWA Flight 800

Ana Cremades of France conferring Monday with her husband, Jose Cremades, president of the European Association of TWA Victims, at the opening of a weeklong National Transportation Safety Board hearing in Baltimore. The panel has released papers suggesting that fuel vapors or bad wiring caused the crash off New York in which 230 people were killed.

Iran Welcomes Ex-Foes

Saudi, Kuwaiti and Iraqi Officials at Talks

The Associated Press

TEHRAN — Some of Iran's former foes arrived with other Muslim heads of state Monday for an Islamic conference that demonstrates Iran's growing acceptance.

The leaders will attend a three-day meeting, beginning Tuesday, of the 55-member Organization of the Islamic Conference. It is the biggest gathering of foreign leaders in Iran since the 1979 revolution.

Crown Prince Abdullah ibn Abdulaziz of Saudi Arabia was among the early arrivals at Mehrabad Airport in the first visit by a high-ranking Saudi official since the revolution. The visit follows almost a year of diplomatic efforts to improve ties between Iran and Saudi Arabia, a key U.S. ally and the world's largest oil exporter.

President Mohammad Khatami of Iran kissed Prince Abdullah on both cheeks in a traditional greeting and escorted him along a red carpet to a stand where the Saudi anthem was played.

Other arrivals included Sheikh Jaber al Ahmad as Sabah of Kuwait, a foe of Iran during its war with Iraq from 1980 to 1988.

In those years, Kuwait served as one of Iraq's biggest financial backers while Iran's revolutionary government regularly derided Gulf Arab leaders and vowed to export the Iranian revolution.

It was the emir's first visit to Iran and came amid efforts by Iran to improve its ties with most of its neighbors.

Iraq, too, sent a delegation to the conference. Vice President Taha Yassin Ramadan left Baghdad by car for the Iraqi border, where he was transported in an Iran Air plane to Tehran. He is the highest-ranking Iraqi to visit Tehran since the Gulf War in 1991.

President Elias Hrawi of Lebanon — the only Christian head of state at the summit meeting — landed with his country's delegation, which includes Prime Minister Rafik Hariri. Looking frail, Mr. Hrawi was helped onto a platform at the airport by Mr. Khatami.

The only hitch came during the arrival of the Palestinian leader, Yasser Arafat. When Iranian security men tried to stop Mr. Arafat's bodyguard from getting into a car with him, the guard shoved them and was pushed back. The Iranians then relented, allowing the bodyguard to get in.

The summit follows a two-day meeting of Muslim foreign ministers, who approved 140 resolutions that will be considered at the top.

POLICY: *Russian Ouster of Iranian Sent U.S. a Signal of Cooperation on Arms Policy*

Continued from Page 1

cluding U.S. financial aid, would suffer severe damage.

Spurred by congressional demands for an international quarantine on Iran's covert weapons program, the Clinton administration has pursued parallel initiatives with the two key suppliers: Moscow and Beijing.

Both now appear close to being publicly declared successes. Things "seem to be working out" with Moscow, a U.S. official acknowledged this weekend in Washington.

Signaling success with Beijing, too, the Clinton administration has decided to certify China as a country with which the United States can do peaceful nuclear business. The U.S. decision, indicated during the visit of President Jiang Zemin this fall, was finalized after review of the Chinese leader's pledges to cut off transfers of conventionally armed cruise missiles and nuclear technology to Iran after the completion of current Chinese assistance.

In approaching Congress, the administration has taken a cautious line about the results so far. In a classified report to congressional leaders late last month, according to an aide who read it, the administration explained that intelligence about Iran over the coming months should enable the White House and Congress to determine whether Mr. Yeltsin has delivered. China's status as a nuclear partner will be subject to review, too, officials said.

Already, however, diplomats feel that the talks have been an unusually sustained initiative by the Clinton administration. The State Department, with an interagency team, managed simultaneously to probe for a deal with Russia and work with an assertive Congress, an energetic performance that the Clinton administration has mustered only for major causes, according to insiders' accounts.

"It ranks right up there with NATO enlargement in terms of how much diplomatic energy has been invested," according to a State Department official.

Washington sold the NATO initiative to Russian officials essentially with the same arguments that five years earlier won Soviet acceptance of German reunification: roughly, that the change was coming anyway, so Moscow needed to accept it and focus on getting the best terms it could.

In contrast, there were few diplomatic precedents for getting Russian and Chinese help in quarantining Iran's arms drive. Washington has never achieved an accord with Moscow or Beijing on curbing the arms race in the Middle East, so if a first step succeeds now, the implications reach far beyond Gulf stability.

It could be a milestone marking recognition by the United States, Russia and China that while they may be rivals, they also share emerging strategic interests — in this case, nonproliferation of destabilizing weapons of mass destruction.

A broad overview of the process emerged in a series of recent interviews with officials, all of whom asked for anonymity, from the White House, the State Department, the Pentagon and the Central Intelligence Agency along with congressional and Israeli sources.

In their account, the Iranian weapons program became a major headache for the White House last winter when intelligence reporting — much of it Israeli, but confirmed in large part by U.S. agencies — disclosed a sharp acceleration in Iranian covert weapons research.

The threat was not nuclear weapons. Tehran seems to have shelved that program two years ago after Mr. Yeltsin, under U.S. pressure, vetoed a Russian sale of weapons-related equipment.

This time concern focused on ballistic missiles powerful and accurate enough to enable Iran to cast an intimidating shadow over the entire region.

"Missiles are the key bottleneck for proliferators," a Pentagon specialist said. Iran's surge, according to the intelligence, was fueled by Russian help, including machine tools, weapons parts, gyroscopes for in-flight guidance, special metals, propellants, maintenance manuals and technical personnel.

But as evidence piled up, so did questions about how to handle the situation: If Russian officials were involved, they probably would not help stop the Iranian traffic. But if they were not involved, they probably were powerless to stop it.

The intelligence reporting on sources was unclear. Who exactly was selling the matériel? Cabinet ministers in cahoots with KGB survivors? Factory managers and laboratory heads desperate for export sales to keep their businesses alive? Or demoralized army units in possession of weapons never recorded in official inventories? Individual scientists turned mercenaries?

In Russia's armaments industry, a sprawling, opaque world that could be leaking in a thousand places, was it feasible to expect that the Russian bureaucracy could spot and stop every renegade operation?

The evidence added up to a troubling pattern. But it was not conclusive and it gave Washington no handle on what to do — unless Moscow was ready to help.

Confronted by Mr. Clinton at the Helsinki summit meeting in March, Mr. Yeltsin agreed that not even he could answer all the questions. To probe the issue and negotiate on remedies, he and Mr. Clinton set up what diplomats quickly dubbed "the Wisner channel," referring to Frank Wisner, a diplomat brought back from recent retirement as ambassador to India to head the U.S. team.

Mr. Wisner, 59, was known in Congress and had experience negotiating arms issues, especially proliferation, outside the traditional NATO context of arms control in Europe.

His opposite number, Yuri Koptev, headed the Russian space agency, whose future depended heavily on U.S. funding and thus was a prime target for congressional cuts if negotiations failed. So he had an incentive to cooperate.

Even so, the talks started badly. "The Russians would quickly come clean about some cases, like one involving gyroscopes, where they had an explanation, but they would stonewall about cases they didn't know we knew about or thought were too damaging to acknowledge," according to a U.S. intelligence analyst.

Sometimes Russian denials were convincing. On one occasion, officials laughed off CIA accusations, explaining that the deal was a swindle, that the Russian company was simply a shell with no equipment or products and only two employees, confidence men now in jail.

Such detailed refutations were the exception; often Russian negotiators simply took note of U.S. allegations.

But the U.S. negotiators were getting encouraging signs on one point: Russian officials seemed to know a lot about what was going on everywhere in the defense sector. "Russia is still the kind of place where the authorities have ways of stopping anything they don't like," a U.S. official recalls thinking.

What was needed, according to an official involved in shaping the U.S. negotiating approach, was to get the Russians to want to help manage the problem — in their own interest and for the sake of fending off U.S. sanctions.

Russian strategists did not want a nuclear-armed Iran, but they had concluded that Moscow needed an Iranian policy that emphasized long-term stability in relations. Iran was too close and potentially too powerful for Moscow to risk feverish swings in relations.

So, even if Moscow decided to crack down on Russian help to Iran's missile program, it was not going to join the Clinton administration in publicly vituperating Iran as a rogue state.

As the political dynamic improved, the overall pace accelerated. Finally last month, during a third round of talks, the Russian negotiators put on the table an offer from Mr. Yeltsin.

Government agencies, businesses and even private citizens in Russia would be prohibited from helping Iran develop weapons of mass destruction, the presidential message promised. New legislation would be forthcoming to enforce these restrictions.

The talks adjourned to evaluate the Russian commitment, and the negotiators had barely been debriefed when the Iranian diplomat's ouster was announced in Moscow.

In Washington, the Clinton administration will want more proof before trying to roll back Congress's threat of sanctions. But a U.S. official said: "I think we're heading out of the woods."

IMF: *World Financial Upheavals Give Fund New Tasks and Risks*

Continued from Page 1

years, starting with Mexico in 1995.

"These international institutions, built for the days of sheltered national economies, must now meet the challenges of the new world of global markets, where no economy can or should shelter for long behind national controls and purely national barriers," Gordon Brown, Britain's chancellor of the Exchequer, has said.

So heavy has been the demand on the Fund over the past few months that for the first time some analysts are raising questions about whether it has enough money left to cope with future crises, a concern that IMF officials say is premature.

In the past few months, the Fund has had to come to the rescue of three countries that had been models for economic development: Thailand, Indonesia and South Korea. It has also had to attempt to keep the upheaval from destabilizing Japan, Russia, Brazil — indeed, the entire world economy. Under its leadership, international institutions and individual countries have pledged more than $100 billion in aid to propping up Asia.

As details emerge of how the South Korea bailout will work — and of how the country's financial condition deteriorated at a frightening pace over the past month — officials in the United States and around the world are focusing again on the capabilities and limitations of the IMF, the 181-nation organization based in Washington that is the lender of last resort to tottering economies.

The Fund's emphasis has long been on lending to countries whose economies have gotten in trouble because of currency and trade imbalances. Its prescriptions, developed largely by professional economists operating in effect under the authority of the richest countries, have tended to focus on austerity, an approach that makes it less than welcome in many developing countries.

After accounting for the cost of the South Korea bailout, of which $21 billion will come directly from the IMF, the Fund will have immediate access to about $44 billion to cope with future crises. In addition, it can gain fairly quick access to $25 billion in backup funding provided by a group of 11 industrialized nations, including the United States.

By virtue of its financial contributions, the United States is the IMF's largest shareholder, at 18 percent, and effectively wields a veto over major programs and policies. But officials within the Fund and President Bill Clinton's administration have become increasingly concerned about the willingness of Congress to provide more financing.

The IMF faces a variety of other issues, including whether it can spot developing problems early enough to address them before they reach a crisis point.

For the past few years, the Fund has had only modest success in imposing some financial discipline on one of the largest of its new breed of clients, Russia. In Asia, the Fund has grown increasingly frustrated with Indonesia, in particular, for wavering in its commitment to whip itself into shape. As a result, officials from the IMF and the United States approached the South Korea bailout intent on winning agreement to as many specific, detailed provisions as possible.

So adamant was Treasury Secretary Robert Rubin that the plan have teeth, people involved in the talks said, that the deal was held up for 10 hours before Seoul agreed to such relatively arcane points as accounting standards that would force companies to provide a clearer view of their financial condition.

"The only thing the United States did — Secretary Rubin — was to say, look, Korea has no stronger supporter than the United States, and we believe in its economic potential and its economic future," Mr. Clinton said in an interview with The New York Times. "But we want the plan to be real. And that's what the IMF said they wanted, and that's what we got."

Almost by default, the Fund has become the closest thing the world has to a global financial regulator, prodding countries to make sure their banking systems are sufficiently strong and sophisticated to deal with the risks that accompany the huge capital pools that race around the world in search of higher returns.

"What's different about the last three programs — and different from Mexico — is that banking- and financial-sector restructuring is absolutely at the heart of the program," said Stanley Fischer, the IMF's No. 2 official.

Whether the IMF can effectively play the role of regulator remains a question. "The problem is that the IMF, even when it suspects major problems in a country, has no way of making that country do the right thing until there is a crisis," said John Heimann, head of global financial institutions for Merrill Lynch. "Pre-crisis, the IMF has a lot of carrots but not sticks. Once the crisis happens, then the IMF can tie conditionality — the stick — with money — the carrot."

BANKS: *Swiss Merger Starts Ball Rolling*

Continued from Page 1

By any standards, the new United Bank of Switzerland will be a colossus in many fields. The bank will have assets of 922.3 billion Swiss francs ($640.71 billion), second only to Bank of Tokyo-Mitsubishi, the Japanese giant that itself is the product of an April 1996 merger.

United Bank will vault into first place as an asset manager, controlling a stunning $920 billion of investment funds. That amount is equal to the combined economic output of Canada and Mexico, or nearly 90 percent of the size of Britain's economy.

While the global banking market remains highly competitive and fragmented, the rapid growth through mergers of the top players could begin to raise antitrust concerns, especially in areas like asset management.

"We're going to get dozens of mergers in the years ahead," said Robin Munro-Davies, chief executive of Fitch IBCA, a bank-rating agency. "I'm sure one of the main issues that's going to come up is cartelization."

In Brussels, the European Commission's competition regulator announced that it would review the deal. But Mr. Ospel predicted that the merger would not face antitrust problems except in selected parts of the Swiss market, where United Bank would dominate with a market share of about 40 percent.

Thanks to cost savings, UBS and SBC executives predicted that the new bank would have a return on equity of 15 percent to 20 percent, slightly below the 21 percent average for U.S. banks but above the level of most Continental banks.

The weak spot of the merger was investment banking. Although UBS and SBC have built major investment banking operations in Europe, their combination will not help them on Wall Street, where both banks failed to compete effectively. Mr. Ospel left open the possibility of buying a major U.S. securities house. He said United Bank should have as much as 13 billion Swiss francs in spare capital on hand by 2000 because of the merger.

Analysts said Continental Europe remains ripe for banking mergers. Germany has more than 600 bank branches for every 1 million inhabitants, France has 445 and Italy has around 400. By comparison, Britain has 339 and the United States just 277.

Shipley Takes Oath In New Zealand

Compiled by Our Staff From Dispatches

WELLINGTON, New Zealand — Jenny Shipley formally took office Monday as prime minister, becoming New Zealand's first woman to hold the post.

At a press conference, the new prime minister announced a five-point agenda, including enhancement of family and community values, cutting government operating costs, improving education and children health, and possibly cutting taxes.

"Many people have high expectations of me," Mrs. Shipley said.

Mrs. Shipley, who received Queen Elizabeth II's official approval to govern this Commonwealth nation, took power in a short ceremony at Government House. After the ceremony, she returned to Parliament to preside at her first cabinet meeting.

"It seems to me that women and men, when they work together, are extremely effective, and I hope that by my leadership," she said, "we may see things done differently."

Mrs. Shipley appointed her cabinet Friday, naming a group of economic hard-liners to the ministries of health, welfare, education and commerce. Mrs. Shipley said she planned to focus on social policy. *(AP, Reuters)*

Egyptian Group Asserts It'll Stop Attacking Tourists

Reuters

CAIRO — The Muslim militant group that claimed responsibility for the massacre last month of 58 foreign tourists said it would no longer target tourists as a way to weaken the government.

The Islamic Group "has decided to stop targeting either the tourism industry or foreign tourists," it said in a statement Monday.

Six gunmen shot and knifed to death 58 tourists and four Egyptians in the southern town of Luxor on Nov. 17 in the bloodiest attack since the Islamic Group started a campaign in 1992 to overthrow President Hosni Mubarak.

The Islamic Group said that young members had acted on their own and "were not assigned to carry out any work connected to tourism." The admission was another sign that the group seemed to lack central authority and had fragmented into smaller, more violent elements.

The statement said that exiled leaders of the group "were surprised by what happened at Luxor and were shocked by the large number of victims and the mutilation of some of the dead."

The Islamic Group said a statement that had been issued in its name shortly after the Luxor attack was not genuine. That statement said 15 members had intended to take tourists hostage to secure the release of the group's spiritual leader, Sheikh Omar Abdel Rahman, from jail in New York. Sheikh Rahman is serving a sentence in connection with the World Trade Center bombing in 1993.

Albright Leans On Palestinians And Israelis

Reuters

PARIS — The U.S. secretary of state, Madeleine Albright, put pressure on Israeli and Palestinian leaders to make key decisions on peace, but said Monday that Washington would not dictate the terms of an Israeli troop withdrawal from the West Bank.

Following a meeting with Prime Minister Lionel Jospin of France at the end of a four-day visit here, Mrs. Albright said: "We are not asking the Israelis for a percentage now."

But Mrs. Albright, who has been meeting Israeli and Palestinian leaders for three days, said that both sides "must do a lot" to revive the peace process.

Mrs. Albright is demanding from Israel a "credible" new troop pullback in the West Bank and a freeze on Jewish settlements there. From the Palestinians she wants a firmer commitment to protect Israel from attack by Muslim extremists.

"I think that both sides must do a lot," Mrs. Albright said. "One hundred percent effort on security matters is absolutely necessary for the situation to improve in the region."

Mrs. Albright, who later set off for a seven-nation tour of Africa, met Prime Minister Benjamin Netanyahu of Israel in Paris on Friday and again Saturday, hours after meeting the Palestinian leader, Yasser Arafat, in Geneva.

Mr. Netanyahu said his government had approved the principle of a pullback but would need several more weeks to work out the details. He had previously said that even then the pullback would require five months of security cooperation from the Palestinians.

Israeli news organizations have reported that Mr. Netanyahu might offer the Palestinians a further 6 percent to 8 percent of the West Bank, while the Palestinians have demanded up to 30 percent. U.S. officials have said they hoped to split the difference.

Mrs. Albright is expected to meet Mr. Netanyahu and Mr. Arafat again after a North Atlantic Treaty Organization meeting in Brussels on Dec. 16 and 17.

Jewish Leader Sets Payment Conditions

Reuters

NEW YORK — The head of the World Jewish Congress said Monday that he wanted Swiss officials to condemn anti-Semitism unequivocally as a condition for a global settlement of compensation claims for Holocaust-era claims.

Secretary-General Israel Singer was speaking at a meeting of more than 200 U.S. public finance officials attending a conference on Holocaust-era Swiss bank accounts organized by the New York City comptroller, Alan Hevesi.

Mr. Singer also said "total and complete transparency" was needed in any payouts to Holocaust victims from dormant bank accounts to ensure they were properly monitored. He said some payments that started last week were not conducted under the auspices of the Volker commission, a body headed by a former Federal Reserve chairman, Paul Volker, that is examining dormant Swiss bank accounts of Holocaust victims.

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EUROPE

French Effort to Come to Terms With Wartime Deeds Gets Bogged Down

Bordeaux Trial Hits Stone Wall as Papon Insists on His Innocence

By Craig R. Whitney
New York Times Service

BORDEAUX, France — The trial of Maurice Papon, a French civil servant here during the German occupation in World War II, was expected to be a rite of cleansing and enlightenment for France.

It began two months ago and was meant to be over by the end of the year, with France finally putting a dark side of its past behind it and moving on.

Classes of schoolchildren attend, as did one from the Lycee Jean Monnet in Montpellier on Friday.

But it now seems likely that the trial will continue until March, drawn out by suspensions made necessary by the precarious health of the 87-year-old defendant and marked by his absolute refusal to take any of the blame for the deportation to Nazi death camps of more than 1,500 Jews from Bordeaux, despite numerous written orders to the police bearing his signature.

"When you find a signature like this, there's no doubt that I am relaying a decision of the prefect," Mr. Papon, alert and vigorous despite his age and a recent bout with pneumonia, told the presiding judge, Jean-Louis Castagnede, when the trial resumed Thursday after a two-week recess called because of the illness.

That he did not give such orders on his own has been Mr. Papon's defense consistently since the charges against him surfaced in 1981, when he was budget minister of the government in Paris and an acknowledged member of the wartime French Resistance.

As secretary-general of the Gironde prefecture, the regional administrative arm of the regime set up in Vichy after the French defeat in 1940, Mr. Papon has said over and over that he had no authority to order the police to arrest anybody.

Only the prefect, Maurice Sabatier, now long dead, had that authority, Mr. Papon says, and what Mr. Sabatier did, the German occupiers made him do. Mr. Papon describes himself and the Office of Jewish Questions that was under his direct supervision as mere transmission belts, forced by the tragedy of war to relay "terrible" orders — Mr. Papon's word — that they tried to use their limited powers to water down, or even sabotage.

Two days of intense questioning last week by Judge Castagnede and Prosecutor-General Henri Desclaux could not shake Mr. Papon from that defense.

What about the files kept on Jews in the Bordeaux region by the Office of Jewish Questions, which the Germans used to decide who should be sent to the transit camp at Drancy, France, and on to the concentration camp at Auschwitz in 1942 and 1943, Judge Castagnede asked.

"They were a force for good," Mr. Papon insisted. "The files helped prove that this person should be exempted because of his ancestry, or that one for some other reason." Most of the Jews deported by rail from Bordeaux to Auschwitz during the war, 6,000 in all, were foreign-born, not French.

And the seizure of factories and valuables owned by those Jews? "That was a way of guaranteeing that they could eventually be returned to their rightful possessors," Mr. Papon answered.

Indeed, to hear him tell it, without the Office of Jewish Questions, the Nazi ravages would have been much worse than they actually were, with far more than 74,721 of the 330,000 Jews living in France suffering deportation to Auschwitz. "My orders were, 'Hold back,' " Mr. Papon said.

His articulate and forceful self-defense has exasperated not only members of the survivors' families but also, apparently, Judge Castagnede, who asked Thursday:

"There are documents, arrest orders, transfer orders, carrying your signature, signed 'by the secretary-general for the regional prefect,' followed by your signature, Maurice Papon. You say, 'I had no police power, even by delegation.' But when you sign an arrest order or an order for a transfer from one camp to another, by what authority did you sign?"

"Only in rare exceptions by delegation," Mr. Papon responded.

"I'm trying to discover who, in fact, had the authority to get the police to act," the judge tried again.

"The prefect," came the response.

Arno Klarsfeld, representing a dozen survivors of victims of the deportations, said some of them would be called to testify when the court starts examining how Jews were rounded up in Bordeaux and sent by train to Drancy and then to Auschwitz when the Germans demanded action by the Vichy authorities starting in 1942.

Le Pen Sends a Political Message With Repeat of 'Detail' Remark

By John Vinocur
International Herald Tribune

PARIS — Jean-Marie Le Pen's latest anti-Semitic outburst, repeating his statement that Nazi gas chambers were a "detail" of history, appears to reflect internal political maneuvering more than any substantial development in French public opinion.

Although there was no way of establishing a clear connection, two candidates from the rightist extremist's National Front party were eliminated Sunday night from continuing to the runoff rounds of two special legislative elections in eastern France. Both National Front candidates lost ground in comparison with their previous vote totals and, amid heavy abstentions, were dropped from the ballot when they failed win the requisite 12.5 percent of total registered voters.

Alongside Franz Schoenhuber, one-time leader of the extreme-rightist Republican Party, and a former Waffen SS member, Mr. Le Pen on Friday in Munich repeated the remark he made 10 years ago deriding the gas chambers, a statement for which he had already been convicted by a court under France's anti-racism laws.

The place, the circumstances, and the fact that remarks were made on the same day President Jacques Chirac chose for a speech underscoring his view on French responsibility in the deportation of Jews, seemed well short of coincidence.

A poll published last week, based on a canvass by the newsmagazine Le Point, reported that 83 percent of a test group of French voters said they did not feel close to the National Front, an increase of two points in 10 months. About 48 percent said they disapproved of all of the party's ideas, while 35 percent said they approved of some of them. Other polls have suggested the party can count on about 13 percent of the vote projected on a national basis.

Following the speech, anti-racist organizations said they would take Mr. Le Pen to court for his remarks and demand he be deterred from making them again.

> **'No voter can pretend that he is unaware of the sordid deal that's being proposed him: rendering the Holocaust insignificant.'**

The outburst comes in the particular context of a National Assembly debate on a new election law, wide discussion of the French role in the persecution of Jews centering on the trial of the one-time Vichy government official Maurice Papon, and preparations for regional and local elections on a national scale in March 1998.

These elements converge awkwardly for virtually all of the country's major political parties, although in particular for the groupings of the democratic right.

The Socialists have chosen to take a line on immigration tougher than their election promises, closer to Gaullist formulations than expected, and in contradiction with the more permissive approach of both their coalition partners, the Greens and the Communists.

At the same time, some members of the rightist parties have seen the immigration debate as a sounding board for positions that could win them back a number of National Front votes in March, while creating a leftist charge that they are colluding with racists.

The Papon trial, while educating many on the Vichy government's role during the Nazi occupation, has also created defensive reactions and some insistence that the French people do not have to answer for Vichy's fascists.

In this context, Mr. Le Pen's willingness to create a new anti-Semitic scandal was described as a signal aimed at both people in his party who would blur its message in an attempt at moderation, and to members of the parliamentary rightist parties who thought there were votes to be traded through low-cost, one-time tactical alliances with the Front.

Le Monde, in an editorial, said the incident left another clear message: "Those who already voted for the extreme right have to know that they are identified, like it or not, with those who support Mr. Le Pen's anti-Semitic theses. Those who are tempted to vote for the extreme right now must know the entry fee: accepting these theses. No voter can pretend that he is unaware of the sordid deal that's being proposed him: rendering the Holocaust insignificant."

BRIEFLY

Petr Josek/Reuters

PRAGUE TALKS — President Vaclav Havel, left, speaking Monday with Josef Lux, the Christian Democrat leader whom Mr. Havel has chosen to conduct negotiations on forming a new government.

St. Francis Basilica Reopens in Assisi

ASSISI, Italy — The St. Francis of Assisi basilica, damaged in Italy's devasting September earthquake, officially reopened its doors Monday.

Invaluable 13th and 14th century frescoes by Giotto and Cimabue, located in the upper church, suffered the worst damage in the quakes on Sept. 26, when the ceiling of the basilica partly collapsed.

Experts who have checked the walls, vaults and columns of the lower church have found no damage, and the crypt below the lower church where the founder of the Franciscan order is buried will be open again to visitors.

About 4.5 million people visit the basilica each year. *(AFP)*

Kohl Is 'Serious' About Reform Talks

BONN — Chancellor Helmut Kohl said Monday that his talks with the opposition Social Democrats on tax and pension reforms were "absolutely serious," but declined to predict their outcome.

Negotiators from Mr. Kohl's center-right coalition and the Social Democrats met over the weekend to try to find a compromise on scaled-back plans to cut income and corporate taxes and contain the cost of state pensions. The talks were "absolutely serious," Mr. Kohl said as he arrived for a meeting of Christian Democratic leaders. *(Reuters)*

2d Round in Serbia

BELGRADE — Foreign Minister Milan Milutinovic of Serbia and the Radical Party leader, Vojislav Seselj, will fight a second round in elections this month for Serbia's presidency, their parties said Monday.

Mr. Milutinovic, the candidate of the governing Socialist Party of President Slobodan Milosevic of Yugoslavia, won the largest share in the first round Sunday but failed to gain a majority.

The Radical Party estimated that Mr. Milutinovic won about 43 percent of the vote, compared with 32.5 percent for Mr. Seselj. *(Reuters)*

Russia Firm on 'Spy'

MOSCOW — Russia's intelligence agency dismissed speculation Monday that charges against an American accused of spying will be reduced, saying the investigation of the case against him continues.

Richard Bliss was released Saturday on his U.S. employer's written guarantee that he will not leave the southern Russian city of Rostov-on-Don, where he was detained Nov. 25. He faces espionage charges for making land surveys. *(AP)*

Blair Offers a Program for Britain's Disadvantaged

By Warren Hoge
New York Times Service

LONDON — The government of Prime Minister Tony Blair went on the offensive Monday to convince doubters that in pushing for tight spending restraints and toughened welfare standards it was not ignoring the disadvantaged.

In a launching ceremony in a run-down South London housing project, Mr. Blair announced the creation of the Social Exclusion Unit, a new coordinating body aimed at focusing government efforts on the poorest members of society and forestalling the growth of a permanent underclass.

Mr. Blair said the new, unfunded advisory unit would shape the government's strategies on how to open routes out of poverty by creating opportunities for work, improving housing and raising school attendance and education achievement among poor children without, as he has promised, exceeding the spending limits of the predecessor Conservatives.

He acknowledged that he was acting with "necessary prudence" but argued that it "reflected the values of a new government."

He warned, "Do not let anyone fall for that nonsense that Labour priorities are Tory ones or that we have done just the same as them."

Across town, Gordon Brown, the chancellor of the Exchequer and the second most powerful person in the government, told a conference of business and labor leaders that a program called the New Deal to be started in the spring would help 200,000 youths under 25 find work or training. Also Monday, David Blunkett, the education secretary, unveiled a plan to establish 8,000 after-school "homework clubs" to help children unable to study at home.

Mr. Blair has adopted a strict stance toward government spending and what he has called an attitude of "tough compassion" toward the country's social needs. The policies have gained him favor with people who have customarily faulted Labour governments for their lack of discipline but have left the party's more traditional constituencies restive.

He faces his first minor rebellion in Parliament on Wednesday over his decision to cut benefits to single parents who do not work. More than 100 Labour legislators have signed letters expressing their dismay over the issue and some 25 of them say they will vote against it and 50 others that they will abstain despite party entreaties to fall into line.

It is not enough to defeat the measure since Labour holds a 179-seat majority, but it is the first sign of dissension in the ranks since the May 1 national election.

"I don't think there's any Labour MP or party member who thinks it is right to go ahead with these cuts," said Selly Oak, a lawmaker from Birmingham.

Mr. Brown defended the action, saying that the government had decided to spend money on opportunities for work and training rather than on simple subsidies.

"Instead of paying out more benefits, I want to reduce unemployment and reduce the cost of failure," he said.

The stance is important to Britain's position within Europe, where it argues that its enviable unemployment, inflation and job creation rates stem from a more limited notion of government's welfare role and a greater stress on individual initiative. At the same time, Britain shows the greatest gap between the very rich and the very poor, a point made by government officials from the Continent, whose economies, while less robust, distribute income more evenly among their populations.

Since it came to power, the Blair government has been criticized for being more interested in consolidating its new acceptance by the business and financial communities and the "aspirational" middle class than in turning its attention to the needs of the country's most desperate citizens.

It was this perception that Mr. Blair sought to dispel Monday, calling his announcement "one of the most important and defining things the government will do."

He said that "social exclusion" did not stem just from low income but was "about prospects and networks and life chances. Britain cannot be a strong community, cannot be one nation when there are so many families experiencing a third generation of unemployment, when so many pensioners live on crime-ridden housing estates, are afraid to go out and when thousands of children play truant, spending their days hanging around on street corners with nothing to do."

The Social Exclusion Unit is a task force that will be charged with merging the efforts of individual agencies that he said too often "work at cross purposes with far too little coordination and cooperation." Its first targets, Mr. Blair said, would be schools, housing and homelessness.

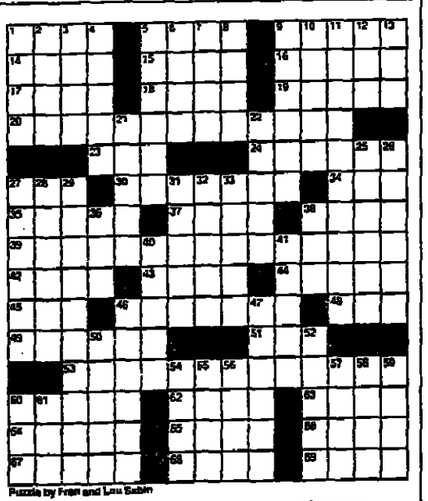
CROSSWORD

ACROSS

1 Pea holders
6 Coagulate
9 Not bold
14 Declare
15 Frost
16 "Swan Lake" maiden
17 Stupefy
18 Moffo at the Met
19 Nice — — (prudish one)
20 Popular sing-along tune of 1925
23 Whiz
24 Picked at, picked at, picked at
27 Hubbub
30 Fill with fooling
34 Literary mots
35 Minor dents
37 What a chapeau covers
38 Art Deco pioneer
39 1954 song with a repeating title
42 "O.K., why not?"
43 Bagel or bialy
44 Type type
46 Prefix with sphere or disaster
48 Visits
48 Kind of school
49 Clog
51 —— minérale
53 1954 #1 hit by the Chordettes
60 Meager
62 Foolish fellow
63 Mustachioed artist
64 Postal scale unit
65 Revolutionary hero Nathan
66 Prez
67 Beautician's device
68 Scent
69 "Casablanca" role

DOWN

1 Goalie gear
2 Face's shape, approximately
3 Nap
4 Win all the games
5 One of a set of 64, maybe
6 Fluff
7 Home of the Hawks, with "the"
8 Hawks or Seahawks, e.g.
9 Deli meat offering
10 Notions
11 Grain grinder's power source
12 ——-timed
13 Actress Susan
21 Color separator
22 Violinist Zimbalist
25 Home in the country
26 Considered
27 Confounds
28 Run the show
29 Drinker's excess
31 Sen. Thurmond
32 "The Old Wives' Tale" dramatist
33 Biased writing?: Abbr.
36 Bromo target
39 Bit of work
40 Let fall, in poetry
41 Israel's Moshe
46 General called "Yellowhair"
47 Kitchen gadget
50 ——-nez
52 Milk source
54 Hollow reply?
58 Way to go
56 Fly like Lindy
57 60's-70's dress
58 Novelist Waugh
59 Shaver's woe
60 Green cover
61 Junkyard dog



Puzzle by Fran and Lou Sabin

© New York Times/Edited by Will Shortz

Solution to Puzzle of Dec. 8

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ASIA/PACIFIC

Ramos Anoints His 'Successor'

Philippines Leader Picks Old Ally As Party's Presidential Candidate

The Associated Press

MANILA — Ending months of speculation, President Fidel Ramos announced Monday that he would support his political lieutenant to become his successor in May's presidential election.

Mr. Ramos, who is forbidden by the constitution to run for a second term, announced the decision after summoning all eight presidential aspirants from his governing Lakas-NUCD party to the presidential palace, where he appealed for party unity.

His endorsement of the speaker of Congress, the lower house of Parliament, Jose de Venecia Jr., which was termed an "anointment" by the media here, bestows the backing of the governing party's powerful nationwide political machinery — if the party remains united.

Mr. de Venecia, regarded as a traditional politician accustomed to wheeling and dealing, backed Mr. Ramos's presidential run in 1992. He then helped Mr. Ramos assemble a political coalition in Congress that allowed the passage of economic reforms that opened up domestic monopolies to competition.

"We're going to carry out the successful Ramos reforms into the 21st century," Mr. de Venecia said after his selection. The speaker commands a large following among party members and reportedly has made extensive preparations and financial investments for his candidacy.

Speculation over Mr. Ramos's choice had been intense. Mr. de Venecia's biggest rival for the endorsement, former Defense Secretary Renato de Villa, is a close Ramos confidant who resigned his cabinet post to pursue his presidential bid. Before being defense secretary, he was the chief of the armed forces and head of the Philippine Constabulary — posts previously held by Mr. Ramos, a former general.

But all eight hopefuls from the Ramos camp have only tepid support among voters. And two opposition candidates — Vice President Joseph Estrada and Senator Gloria Macapagal Arroyo — have consistently placed far ahead in the polls.

Mr. de Venecia had warned that he would run even if he did not win Mr. Ramos's endorsement, in effect threatening to split the party.

Mr. Ramos called on the other aspirants to "support speaker de Venecia, stay with the party and stay with me," the party said in a statement.

In a party convention last month, hundreds of regional delegates voted to empower Mr. Ramos to pick the party's presidential candidate from among the contenders.

■ Tax Reform Is Cleared

The Philippine Congress, after weeks of wrangling, approved a tax reform bill Monday, one of two new laws that are needed to end more than three decades of supervision by the International Monetary Fund, Reuters reported.

The Philippines hopes to dispense with the IMF's policing at a time when its more successful neighbors are turning to the fund for help to deal with the financial turmoil of East Asia.

Legislators said the tax law would help the government post a budget surplus in 1998 for the fifth successive year.

The second measure is an oil deregulation law to replace one that the Supreme Court quashed in October on the grounds it was constitutionally flawed. Congress is working on a new version of that law.

Kemal Jufri/Agence France-Presse

A police helicopter pouring water Monday on the Bank Indonesia high-rise.

Fatal Fire at Central Bank

15 Killed in Top Stories of New Jakarta Tower

The Associated Press

JAKARTA — Flames raced through the top of a glistening new office tower of the Indonesian central bank Monday, killing at least 15 people and injuring five.

At least six victims died in an elevator in the 25-story Bank Indonesia building in central Jakarta.

A police helicopter lifted four workers from the roof and landed in a nearby plaza.

Shattered by the heat, glass panes fell and smashed in the street as smoke gushed from the gutted top three floors.

Yelling for help, trapped workers waved bright red cloths from the windows. About 200 people were evacuated down the smoke-filled stairs of the twin tower.

Fire officials suspect faulty electrical wiring sparked the blaze.

It was another crisis for the central bank, which has been at the center of efforts to prop up the ailing Indonesian currency. Bank Indonesia intervened in currency markets again Monday but could not prevent the dollar from rising to a record high against the rupiah.

Among those killed were a central bank employee, a security guard, cleaners and three workers who were installing elevators in the building, which was still under construction.

Fire trucks trained hoses on the building, but the jets of water failed to reach the flames. Police helicopters flew over the building, dumping water from big containers suspended by cables.

Dozens of fire fighters moved from floor to floor, dousing the flames by afternoon. The top of the building was blackened.

It was not known whether bank documents had been damaged, although security officials removed strongboxes and large canvas bags for safekeeping from a neighboring bank building.

The damaged building houses a department that monitors the performance of private banks. Sixteen banks were closed Nov. 1 as part of economic reforms to comply with a $40 billion economic rescue package set up by the International Monetary Fund to reassure foreign investors and give Jakarta funds to support the rupiah.

"Clearly, the central bank going up in flames is an unfortunate symbolic circumstance," said William Keeling, an analyst with the local brokerage Mashill Jaya Securities.

He said the rupiah slide was not prompted by the fire in the partly occupied building, which is next to the bank's main office and headquarters of Governor Soedradjad Djiwandono.

Antarctic Skydiving Deaths Highlight Risks for Tourists

Compiled by Our Staff From Dispatches

WELLINGTON — An adventure tour company on Monday flew out the bodies of three skydivers who were killed at the South Pole when their parachutes failed to open, and officials said the accident again underlined the danger for tourists seeking thrills in the icy wastes of Antarctica.

The tour company, Adventure Network International, flew the bodies back to its base camp at Patriot Hills in the Ellsworth Mountains on the South American side of Antarctica.

The U.S. base at the South Pole discourages private visits to the area, but can do nothing about those who show up.

It was the first time Adventure Network International had flown skydivers to the Antarctic, but the company has operated in the area since 1988 and is highly experienced, Dwight Fisher, senior representative for the U.S. National Science Foundation, said by telephone from McMurdo base in the Antarctic.

"There are a lot of people they drop off at Patriot Hills and they ski to the South Pole and do other adventurous things," Mr. Fisher said.

The company had informed U.S. authorities of its plan to organize three skydiving expeditions to the South Pole.

"They coordinated that morning," Mr. Fisher said. "Much earlier, they called South Pole to coordinate the timing so that we did not have flights in the air around South Pole at the time.

The U.S. concern was whether it should be involved in search and rescue efforts, Mr. Fisher said.

"That's the fear for us," he said. "That we'll get involved in having to do search and rescue and use resources that are pretty tight for doing our science program, and divert those."

Another official said that it was not clear who had the legal responsibility to deal with the deaths of the parachutists.

Seven countries with conflicting territorial claims in the area of the deaths suspended their claims by the Antarctic Treaty of 1958.

Sources said a U.S. medical team had attended the bodies of the three skydivers and declared them dead.

But the sources said that death certificates had not been issued because no one had responsibility for issuing them.

Only New Zealand issues Antarctic death certificates— and only at its Scott Base.

The three skydivers were part of a group of six making the jump. A spokesman for Adventure Network International said that equipment had failed.

"For still unknown reasons, the parachutes of two of them did not open at all and that of a third failed to open properly," Mike McDowell, the spokesman, said.

Antarctica had attracted only scientists and a few adventurers until the 1970s when tourism started growing.

The worst single accident occurred on Nov. 28, 1979, when an Air New Zealand DC-10 on a sightseeing flight over McMurdo Sound struck Mount Erebus, killing all 257 people aboard.

A New Zealand Foreign Affairs report said that about 11,000 tourists, most of them on 15 ships, are expected to visit the continent this southern summer.

Most will visit the Antarctic Peninsula area, south of Chile.

Stuart Prior, head of the Antarctic Division of New Zealand's Ministry of Foreign Affairs said polar tourism was largely a private matter, although New Zealand companies and nationals had to comply with environmental, medical and safety controls.

"There is no way of stopping people from doing what they like there," he said. But New Zealand preaches "caution and awareness."

He noted that when people got in trouble only the United States had transcontinental aviation capability, and that New Zealand ice experts often had to risk their lives in search and rescue. *(AFP, Reuters)*

BRIEFLY

2 Rivals in Cambodia Reach Reconciliation

TAKMAU, Cambodia — Two of Cambodia's most bitter political rivals shook hands Monday and vowed to end their differences in the name of peace.

"I'm very happy to have the chance to have a discussion with Hun Sen," Sam Rainsy, an opposition leader, said after a three-hour meeting with Second Prime Minister Hun Sen, the country's most powerful leader.

It was their first encounter in more than three years.

Mr. Sam Rainsy, who has been Mr. Hun Sen's harshest public critic, said after the meeting that he had agreed to "cooperate" with Mr. Hun Sen, who took uncontested power in a coup in July against First Prime Minister Norodom Ranariddh.

"We have agreed that the most important issue is the national interest," Mr. Sam Rainsy said. *(AP)*

Hong Kong Election

HONG KONG — Hong Kong chose 36 deputies to China's national legislature Monday.

Jiang Enzhu, 58, head of the Hong Kong branch of Beijing's Xinhua news agency, received 397 votes from the 424-member election committee, which was composed of Hong Kong's political and business elite.

Among those chosen were eight members of the provisional legislature installed by China after it took over Hong Kong because it objected to the rules that elected the previous one.

A dozen pro-democracy campaigners staged a noisy protest outside the building where the election was held.

"We deplore this disgraceful process," said Emily Lau, who was ousted from the Hong Kong legislature that was elected under British rule in 1995. *(AP)*

Taleban Visits Texas

ISLAMABAD, Pakistan — Three ministers of Afghanistan's ruling bloc, the Taleban, are in the United States to meet with officials of the oil giant Unocal, which wants to run a gas pipeline through Afghan territory to Pakistan.

No final agreements are expected during the trip, Mutta Wakil, a spokesman for the Taleban, said in Afghanistan.

"They are just going to Texas to talk," he said. "If any agreements are reached, they will be signed in Afghanistan."

The Taleban is being wooed by Unocal and the Argentine oil company Bridas over rich gas reserves in the former Soviet republic of Turkmenistan. *(AP)*

KOREA: *Ailing North Hangs On as Talks Open*

Continued from Page 1

managed to get humanitarian aid out of nations he brands as enemies to ride out the food shortages without straying from his father's ideology of self-reliance.

North Korea has a perennial shortfall, estimated at about 2 million tons of grain a year, and next year it could be worse.

But for the moment, according to Norman Levin, a Rand Corp. scholar, North Koreans — thanks to the international aid to stem a famine whose true dimensions are still unclear — were probably better fed this fall than in autumns past.

"They have more food available now than they have had most years," said Mr. Levin, author of a new article titled "What If North Korea Survives?"

Energy shortages are deemed even more severe in the North than the food problems, but the government is trying to secure supplies, he said.

Moscow is talking to the North about the possibility of restarting an old Russian-built oil refinery in a Sea of Japan seaport, Sunbong, a Russian Foreign Ministry official confirmed.

Meanwhile, the United States continues to deliver heavy fuel oil each month as part of a 1993 deal in which North Korea abandoned its plutonium program in exchange for international construction of two light-water nuclear reactors on its territory.

Hong Kwan Hee, a researcher at the Korean Institute for National Unification in Seoul, notes that although Beijing is supplying a huge amount of food aid that may well be going directly to the North Korean military, the Chinese government's efforts to encourage Chinese-style economic reforms have gone nowhere.

Thus, Kim Jong Il's day of reckoning may yet arrive — and the sudden collapse of the North cannot be ruled out.

Still, recent events have reminded outsiders of how little they know about what goes on inside the North Korea.

According to an analysis by Gordon Flake, director of research at the Korea Economic Institute, a straw poll of 40 international North Korea experts assembled for a conference in Washington in September found that 25 percent believed that North Korea would be fundamentally unchanged in five years. 40 percent predicted that North Korea would adopt reforms, 26 percent thought the North would be under foreign or South Korean control, and 9 percent foresaw internal chaos but no foreign control.

Nevertheless, experts in the United States and Japan agree, a consensus has emerged that the desirability of change in repressive North Korea is outweighed by the need for stability. For the moment, the buzzword "reunification" has been replaced by "reconciliation."

One reason for the shift is fear that a cornered North Korea could send starving refugees flooding over its borders or could lob shells at Seoul. Another may be that its neighbors are secretly more comfortable with the status quo, economist Marcus Noland argued in a recent article in Foreign Affairs magazine.

"China, Japan, Russia and arguably even South Korea may well prefer a muddling, domesticated North Korea to a capitalist and possibly nuclear-armed unified state on the Korean Peninsula," Mr. Noland said, concluding: "North Korea may muddle through for years before turning toward reform or chaos, especially if external powers find this solution to be in their interests."

DISSIDENT: *Clinton Meets With Wei*

Continued from Page 1

Chinese prisons, he was suffering from high blood pressure, gastrointestinal problems and arthritis.

Now a visiting scholar at the Columbia University School of International and Public Affairs in New york, Mr. Wei is still under almost daily medical supervision.

Mr. Clinton raised the case of Mr. Wei and other dissidents in talks with Mr. Jiang on Oct. 29.

Human rights officials said that Mr. Clinton was believed to be keenly interested in the dissident's life and that the president reportedly had read a book by Mr. Wei. A White House spokesman could not confirm that report early Monday.

At the meeting Monday, Mr. Wei was expected to tell Mr. Clinton that the release of one dissident "is not enough," said William Schulz, executive director of Amnesty International USA, and that the president "ought not think that his release vindicates what has essentially been a hands-off policy by the United States on China."

Amnesty International hopes China will make further gestures in connection with the Clinton visit, including releases of dissidents and permission to the International Committee of the Red Cross for regular visits to Chinese prisons.

Mr. Wei, an electrician, was first jailed in 1979 for advocating democratic reform. He was released in 1993, when Beijing was an applicant to be host of the 2000 Olympics.

After Mr. Wei met with a U.S. diplomat in Beijing in 1994, he was arrested again. In 1995, he was sentenced to 14 years in prison.

Director, Division of External Relations

The International Atomic Energy Agency (IAEA), an intergovernmental organisation for scientific and technical co-operation in the peaceful utilization of nuclear energy, invites applications from qualified candidates for the position of Director (D1/D2), Division of External Relations. The successful candidate will be based at the Vienna Headquarters and have overall responsability for the:

- co-ordination of the Agency's non-proliferation and safeguards policies and the negotiation of safeguards agreements;
- co-ordination of Agency's policies of an inter-disciplinary nature;
- general liaison with, inter alia, Member States, United Nations system organizations, and other governmental and non-governmental organizations,
- co-ordination of Agency participation in conferences and symposia,
- preparation and co-ordination of papers and reports relevant to Agency activities, and
- protocol affairs.

Required qualifications

Candidates for the position should have

- an advanced university degrees in political science, law or international affairs
- at least 15 years of international policy management experience at a senior level
- experience in international organizations, multilateral negotiations and international co-operation in the nuclear field with particular emphasis on non-proliferation and safeguards issues,
- excellent communication skills in general, both oral and in writing, and in English in particular,
- strong organizational and negotiation skills, and
- administrative and supervisory experience

The contract will be for an initial, period of three years. The successful candidate will be offered a competitive compensation package and excellent benefits. The IAEA provides a culture and gender-sensitive work environment and applications from women and from developing countries will be particulary welcome

Applicants should send a detailed curriculum vitae quoting Vacancy Notice 97/051 to the Division of Personnel, International Atomic Energy Agency, PO Box 100, Wagramerstrasse 5, A-1400 Vienna, Austria no later than 31 December 1997.

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IEFLY

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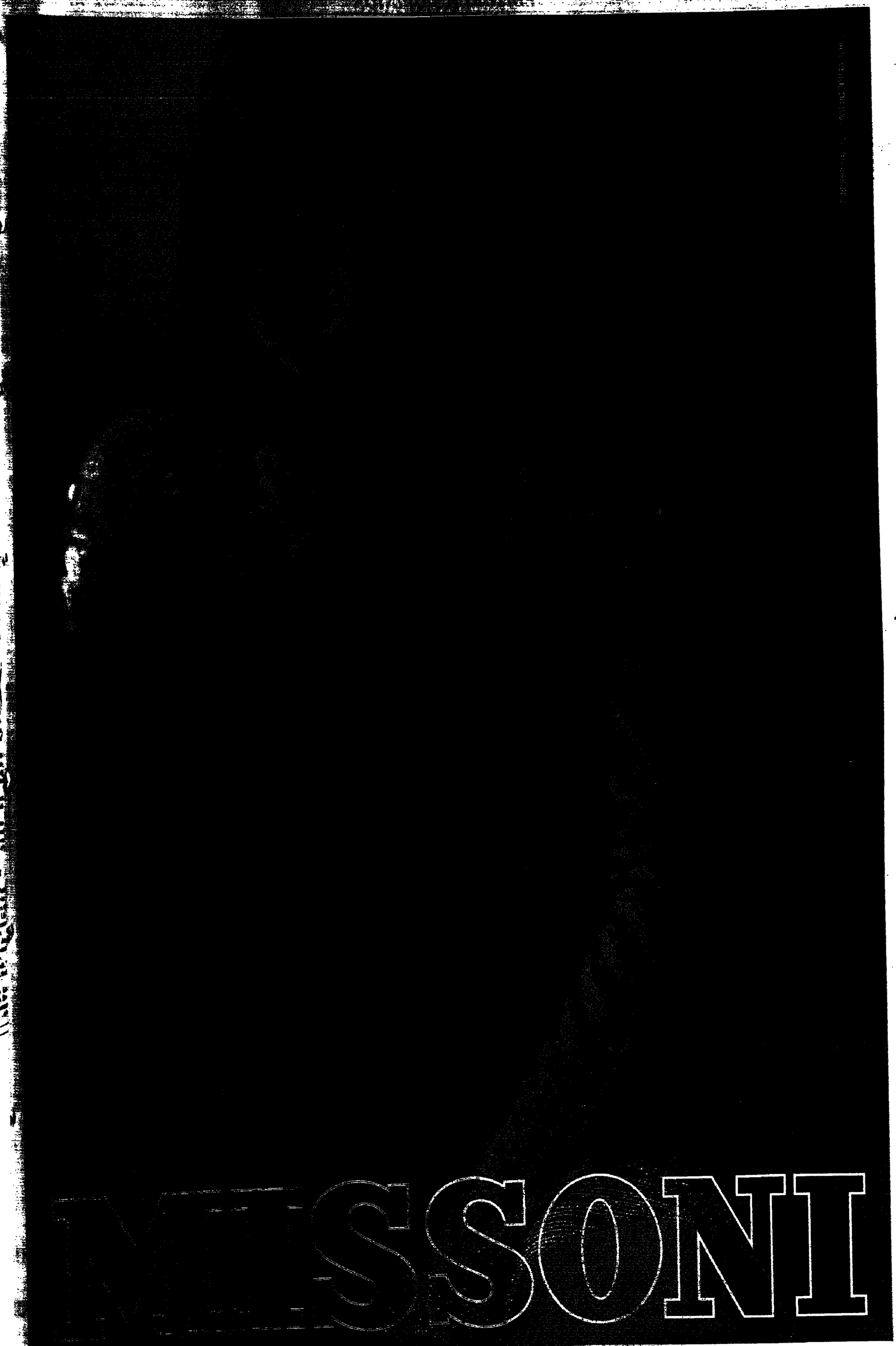

Herald International Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

In India and Pakistan

Four months after celebrating the 50th anniversary of their independence and partition, India and Pakistan are in political chaos. India's third government in the last two years has collapsed, forcing new elections. In Pakistan, Prime Minister Nawaz Sharif has won a constitutional battle with the president and Supreme Court chief justice, but he had to get the army's support to prevail.

The common theme in both countries is that the political leaders are not yet accustomed to sharing power with others in a system of constitutionally protected checks and balances.

The political crises are disheartening because they have dampened investor confidence in India and Pakistan and set back their efforts to reach a political rapprochement. As a result, both countries are likely to continue spending too much money on arms, leaving scant resources for schools, infrastructure and public health.

Also damaged is the American effort to enlist the help of two countries representing nearly one-sixth of the world's population in the global drive against nuclear proliferation, drugs and greenhouse gases.

But the most immediate danger is the possibility of some old demons gaining new strength. In India, the threat comes from the rising strength of the Bharatiya Janata Party, a Hindu chauvinist organization that would transform the nation's Muslims into second-class citizens.

A coalition of parties representing different ideological, regional and caste groupings has tried without success to govern India. The squabbling and corruption charges that wrecked the coalition could now persuade some Indians hungering for stability to turn to the Bharatiya Janata Party's dangerous prescriptions in the next elections, due in February.

Since 1988, Pakistan has managed to keep its principal demon, the military, on the sidelines. But in the last week the army sided with Mr. Sharif in his battle with the Supreme Court chief justice and the president, who was threatening to dismiss him. The army behaved responsibly by ensuring the continuation of an elected government. Still, it is discouraging to see the army remain such a powerful arbiter.

Mr. Sharif becomes the most powerful elected leader of Pakistan since Zulfikar Ali Bhutto, who was ousted in a military coup in 1977 and executed in 1979. History should teach Mr. Sharif not to capitalize on his triumph and turn dictatorial. His main challenges will be to work with his domestic adversaries and keep the army out of politics.

—THE NEW YORK TIMES.

Policing for Bosnia

Through a series of suggestive hints, the Clinton administration is sidling toward a decision to keep American forces in Bosnia beyond their scheduled June 1998 departure date.

The latest pronouncement came from Defense Secretary William Cohen, who met with other NATO defense ministers in Brussels last week. He chose his words on Bosnia more carefully, and wisely, than Secretary of State Madeleine Albright and the national security adviser, Sandy Berger, have in the recent past.

Mr. Cohen recognized America's continuing interest in maintaining peace in Bosnia, but he emphasized two important conditions for a continued American presence.

He wants planning for any NATO military involvement beyond June to include a gradual shift of security responsibilities from regular soldiers to a strengthened international police force. Also, knowing that Congress will not tolerate American soldiers remaining in Bosnia indefinitely, he wants Europe to assume a greater share of the effort.

As the emphasis in Bosnia has shifted from disengaging rival armies to securing public order, the 30,000 NATO troops remaining in Bosnia are being called on to assume tasks that are more police than military in nature. But the only alternative international force now available consists of the 1,700 or so unarmed police trainers. Hemmed in by a weak mandate and faulty UN recruiting procedures, they have not been able to provide much security or train many reliable local police officers.

What is needed is an international force to fill the gap between heavily armed NATO soldiers and unarmed police trainers. That can be partly provided by upgrading the unarmed police. But a new armed international police force is also needed. It could begin with a few thousand participants from the large, armed paramilitary police forces existing in many West European countries.

At first, the armed police would work alongside NATO troops. But as they grow in numbers and the security issues in Bosnia become increasingly civilian in nature, they could eventually replace NATO forces. Sending European paramilitary police units to Bosnia would be a good way to increase Europe's share of the overall security burden.

European countries are already grumbling about Mr. Cohen's proposals on reapportioning costs and creating an armed police force. Europe should respond more constructively on these issues.

It must also understand that the U.S. Congress and the American people have not yet signed on to a continued American military presence in Bosnia beyond next June. They should not do so unless a compelling need for American troops has been established and a clear strategy leading to their early replacement by an armed police force has been put in place.

—THE NEW YORK TIMES.

Basketball Scandal

Suppose that, fed up with your boss's nagging, you suddenly jumped him in the middle of an argument, closed your fingers around his neck and threatened to kill him, before being pulled off by your fellow employees. Suppose further that you then returned about 20 minutes later and went after him again until being restrained. You would, at the very least, expect to be fired. You might also expect to be going into another line of work, perhaps a less lucrative one if your current salary was around $8 million a year.

According to largely uncontested accounts, that is pretty much what Latrell Sprewell, a standout basketball player for the Golden State Warriors, did on Dec. 1 in a rather one-sided altercation with his coach, P.J. Carlesimo. Afterward, the Warriors ordered Mr. Sprewell suspended for 10 games. Then, when he showed little or no remorse and refused to cooperate with a league investigation into the incident, they terminated his four-year, $32 million contract, an action that is roughly the National Basketball Association equivalent of the death penalty.

On Thursday the NBA's commissioner, David Stern, took things a step further, announcing that Mr. Sprewell would be banned for a year — by far the longest suspension in the league's history. The head of the players' union, Billy Hunter, with predictable but nonetheless disheartening promptness, labeled the action "excessive and unreasonable" punishment.

"We previously stated that we would not contest a 10-game suspension even though it would cost Latrell a million dollars in salary," Mr. Hunter said. "Now it seems as if some other agenda is driving the Warriors and the NBA. A $25 million forfeiture of salary and one-year expulsion is staggering."

It is also staggering how out of touch many NBA players and their union seem to be with the people who make their ever rising salaries possible. From the cheapest seats to the luxury suites to the kids watching at home, no one who committed such an act of violence himself would expect any lesser punishment than Latrell Sprewell's. What are the standards of accountability that the players and their union are willing to acknowledge for someone making nearly $100,000 a game?

Commissioner Stern, in announcing the suspension, said, "A sports league does not have to condone or accept behavior that would not be tolerated in any other segment of society." He got that exactly right.

—THE WASHINGTON POST.

Herald International Tribune
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Directeur de la Publication: Richard McClean

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.10; Advertising, (1) 41.43.92.12; News, (1) 41.43.93.38.
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U.K. Advertising Office: 63 Long Acre, London WC2. Tel. (171) 836-4802. Fax: (171) 240-2254
S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
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When Lots of Young Arabs Start Going On-Line

By Thomas L. Friedman

WASHINGTON — Watching the latest go-round with Saddam Hussein, it would be easy to conclude that in the Middle East nothing ever changes. Things just go round and round. In fact, though, just beyond the headlines there are some intriguing forces at work. Saddam is not the only agent of change.

Consider three conversations I had recently in the Gulf region.

The first was with Kholoud Feeli, a Kuwaiti woman reporter, who remarked to me:

"My brother just got married to a Kuwaiti woman he met on the Internet in a Kuwaiti chat room. They kept exchanging messages and finally met in person, and it was love at first sight. They got married here. Their wedding cake was a computer and a keyboard."

A few days later I met another Gulf Arab woman journalist, who told me she regularly, but anonymously, files news about her country for a Gulf Web site — "and my government doesn't know I'm doing it."

The third conversation was with Ibrahim Dabdoub, head of the National Bank of Kuwait: "You wouldn't believe what just happened here," he said. "Kuwait Airways needed to finance the purchase of two new Boeing aircraft. We bid on it the way we always do. But some regional American bank called Nationsbank, which no one had ever heard of here, came in and won the contract [by offering a super low rate]. You don't have to go to the States — the States is coming to you."

What do these conversations have in common? For years the Arab world has been walled off from the information and financial-market revolutions that have transformed Asia and other parts of the globe. Oil allowed the Arab states to escape many of the pressures for downsizing, streamlining and privatizing their economies. Well, the walls are coming down. For technological and economic reasons the Arabs can't maintain those walls anymore.

One sees several responses. First, there are those who are trying to adapt. Take Fatima Abdali, a Kuwaiti environmental health scientist, who owns one of the most popular Internet cafes in Kuwait, Coffee Valley, where you can sip latte and surf the Net.

Educated in America, Ms. Abdali wears a veil, as a sign of Islamic piety, but is a total Web-head underneath. "I had this idea three years ago for an Internet café," she told me. "I knew it was coming and that if I didn't open one, someone else would.

"I realized we can have some control over it, so let's teach people the good parts and make it consistent with our own culture, rather than wait to be invaded by it. I adopted it, and adapted it, and on our Web page now we are slowly introducing some women's rights issues."

Another response is the populist-Islamist backlash, manifested in the Kuwaiti press and Parliament, where globalization is often depicted as a new form of colonialism, secularism or imperialism.

Workers, government employees and merchants who relied on government monopolies and subsidies are all organizing against the first tentative steps by the Kuwaiti government to privatize some services that it can't afford to keep subsidizing.

What is intriguing, though, is that in the latest student elections at Kuwait University, always a bellwether, Islamist candidates got wiped out by the independent, liberal and secular parties. I asked Abdulaziz Sahli, a 21-year-old communications student, why the Islamists may have stalled.

"The Islamists are not that impressive anymore," he said. "The secular parties are helping the students more with the small things that students care about now — Xeroxing, e-mail problems, library books, parking. The society is less ideological now. We need to look for a job."

Indeed, with 60 percent of Kuwait's population under age 20, the government has got to unleash the private sector to create more jobs. It can't afford the subsidies any longer. It is the same across the Arab world.

Saddam temporarily upset the Middle East when he invaded Kuwait. Then there was a cease-fire. Saddam might still do something crazy that would explode the whole region. But in the meantime there is another, silent invasion in the Middle East — the invasion of information and private capital.

How Arab societies respond to this invasion — whether by adapting it, adopting it or rejecting it — will definitely have a huge impact on the future of this region.

And be advised: With this silent invasion, there will be no cease-fire.

The New York Times.

Take Account of Arab Opinion and Keep Cool Watch on Saddam

By Roscoe S. Suddarth

WASHINGTON — It is true that Arabs are resentful about the Netanyahu government's failure to move forward in the peace process. This has created an Arab view of a U.S. "double standard," whereby America punishes Saddam Hussein for flouting UN resolutions, but not Israel.

The result is an Arab world seething with bitterness and deeply concerned by stories of the sanctions-induced impoverishment of the Iraqi people.

Arab public opinion has an effect on Arab leaders on this issue, and that serves as a real constraint on Arab cooperation in schemes for the violent removal of Saddam Hussein.

While there is no love lost for the Iraqi leader, both the Arab elite and popular opinion strongly oppose military intervention in Iraq.

It is to their credit that Secretary of State Madeleine Albright reported this fact after her recent trip to the Middle East and that President Bill Clinton reiterated those findings.

But the main reason why America's Arab allies have largely failed to cooperate with previous attempts to undertake political or military action against Saddam is that they judge (correctly) that the cost outweighs potential benefit.

Almost all serious analysts of Iraqi politics agree that there is no opposition group within or outside Iraq that stands a chance as an alternative to Saddam. Even Jordan's King Hussein dropped the idea when he discovered that the defection of Saddam's sons-in-law was not linked to an effective opposition effort inside Iraq.

Regarding military action, massive air attacks against Iraq's core security apparatus will not cause his overthrow.

That option rests on the dubious logic that the units most attached to Saddam somehow magically would turn on him if attacked. Some military analysts estimate that such a campaign would require more than 1,000 sorties over several days and would cause considerable collateral civilian casualties, to say nothing of lost and hostage U.S. airmen.

Given Saddam's obsessive efforts to protect his regime, he is capable, as was shown in the Gulf War, of sustaining massive casualties without abandoning power or surrendering his major objectives.

America's Arab allies apparently know that better than America does, and it is a major constraint on their cooperation. They have ample reason to fear a revanchist people and regime in Iraq.

Arab leaders know that the United States is unwilling to commit to a massive ground assault — the only option with a chance of toppling Saddam.

Regarding economic measures, the only one I can think of not being applied already would be a cutoff of the oil-for-food resolution that blessedly gives some relief to the suffering Iraqi people.

Provided that we can maintain an effective system to ensure that these supplies get to the people, I cannot imagine the United States wishing to discontinue this policy.

Yes, Saddam's attempt to conceal weapons of mass destruction is deeply worrisome and requires vigorous international action, through the UN Security Council. Washington has a strong consensus against weapons of mass destruction.

If the inspection regime is not totally successful, it is nevertheless inhibiting Saddam's program. The sanctions regime has contained his military capabilities and restrained his regional ambitions. He cannot threaten his neighbors as he did in the past.

Moreover, America retains a massive deterrent. If there is one action to be taken now, it is to make it crystal clear to Saddam and his cohorts that any attempt to use any of Iraq's weapons of mass destruction would provoke a violent and massive response.

This was effective in the Gulf War, and there is no reason to believe that it will not remain so into the future.

So why panic into advocating a major political and military campaign that is not only unnecessary but could set back rather than enhance U.S. interests in the area?

The writer, a former U.S. ambassador to Jordan, is president of the Middle East Institute. He contributed this comment to The Washington Post.

Another Task for Kyoto: Strengthen Data-Gathering

By J.C.R. Hunt

TEMPE, Arizona — At the current meeting in Kyoto, it is vital that governments reach agreements about the future of "greenhouse" gas emissions. But they also need to use this meeting as a platform for action and public education on all aspects of the climate agenda.

At an intergovernmental meeting in Geneva in 1993 on the scientific, technical and practical aspects of climate change, everyone agreed that national climate programs are essential, and that these should be broadly based, with nongovernmental organizations making their contributions as well.

Rather little has been heard about that since then. Yet there is even more to do now, as climate-related activities move on from measurements and predictions to the next stage of studying the impacts on our lives and of determining how people and organizations should respond to the challenge of a changing global environment.

The first major task for such programs was to ensure continuation of the international infrastructure for measuring and studying the climate. In a number of developing and East European countries, measurement systems have deteriorated and valuable data are no longer being stored and transmitted.

The scientists working on the Intergovernmental Panel on Climate Change could not have come to their conclusions about likely future changes to climate without such data, which are now under threat unless there is a renewed effort to arrest this deterioration.

Any decisions at Kyoto on reduction of greenhouse gas emissions are likely to be implemented only if there is a very broad awareness and understanding about climatic and environmental changes, and their practical consequences.

This requires national and international climate-related programs to involve many more groups and organizations than are currently engaged.

Many committed groups are waiting for leadership. By contrast, one observes other groups opposing any governmental action to limit activities that adversely affect the environment. They appear to be well funded and are increasingly effective in publicizing their position.

The UN agencies and the International Council of Scientific Unions (ICSU) have a special role in helping international and national activities. They regularly monitor how observational and related infrastructure systems are performing, and their statements on global climate change are well accepted as being objective and comprehensive — for example, those of the World Meteorological Organization on weather and climate, those of the Food and Agriculture Organization on food security, and those of the ICSU member organizations on the scientific issues.

However, there are problems in the effectiveness and continued funding of some parts of this international coordination. Their identification at the climate meeting in 1993 led to several UN agencies and the ICSU agreeing in 1995-96 on a common "Climate Agenda."

Some of us hoped that this would strengthen the successful infrastructure programs of observation and research, while revitalizing, and perhaps reorganizing, the weaker interagency programs, especially those that are applying climate science and technology to improve agriculture, living conditions and economies of the developing countries.

Unless these applications programs are strengthened, the representatives of some countries say they will be reluctant to support the "scientific" programs. Thus, the Climate Agenda requires an integrated approach. Selective support, favored by some scientists who do not understand the UN system, is not a practical option.

It has been a source of frustration to the staff of the UN agencies and the ICSU that there has been so little support by national governments to persuade their delegations to the UN agencies about the benefits of a coordinated approach.

Perhaps there has not been enough publicity, or perhaps governments do not understand that technical work also benefits from this approach.

A recent investigation by the Science and Technology Committee of the British Parliament, which endorsed the concept, might be of interest to other countries.

So, if the governments at Kyoto are serious about their intentions, they should emphasize and broaden the scope of their national climate and environment programs, both governmental and nongovernmental. The international organizations should be involved as effectively as possible.

The writer, a former chief executive of the U.K. Meteorological Office and member of the executive council of the World Meteorological Organization, is now a visiting professor at Arizona State University. He contributed this comment to the International Herald Tribune.

Beware of Popular Enthusiasms

By Charles Krauthammer

WASHINGTON — The world is meeting in Kyoto to decide how much wreckage to visit upon Western economies to prevent global warming.

Kyoto aims to seriously reduce greenhouse gas emissions, which would seriously curtail energy use and, with it, economic growth. All under the premise that humans produce global warming and that global warming will produce a human catastrophe. Is this true?

There has been a very slight warming of the earth's atmosphere in this century (although one still has to explain why satellite and balloon data show no net temperature rise in the past 19 years). But first, it is not clear how much is caused by natural variation only.

Second, even assuming a substantial human contribution, it is not clear what, say, a doubling of carbon dioxide emissions would do to temperatures.

You can get answers by modeling. But scientific models are notoriously subject to the tweaking of underlying assumptions. The predictions of the Intergovernmental Panel on Climate Change have already been significantly modified.

In 1990 it predicted a 3-degree (centigrade) rise by 2100. The prediction now is down to a 2-degree rise. And there is a huge range of uncertainty — the lower-end estimate is 1 degree.

But uncertainty is a feeling foreign to global warming fundamentalists. Take that great American evangelist, Vice President Al Gore, a last-minute attendee in Kyoto.

Mr. Gore may turn out to be the environmentalists' villain because he fears infuriating his labor allies at home if he agrees to serious curbs on U.S. carbon dioxide production.

But two months ago he likened those who question global warming to tobacco executives who with a "straight face" deny that smoking causes cancer. This is a serious charge: not just error, but bad faith.

This attitude is echoed by many scientists. Stephen Schneider, a Stanford scientist and participant at Bill Clinton and Al Gore's Global Climate Change Roundtable last July, has said that when it comes to global warming, it is "journalistically irresponsible to present both sides."

It is worth noting that 25 years ago this same Schneider was vociferously denying global warming. Even a tenfold increase in human production of carbon dioxide, he wrote, "which at the present rate of input is not expected within the next several thousand years," is "unlikely to produce a runaway greenhouse effect on Earth."

Indeed, "the doubling of carbon dioxide" — which is what Kyoto is trying so desperately to prevent — "would produce a temperature change of less than 1 degree centigrade."

Mr. Schneider argued then that the real threat was global cooling. The production of aerosols screening Earth from the sun could produce "a decrease of the mean surface temperature by as much as 3.5 degrees centigrade." That, if sustained over a period of several years, could "trigger an ice age."

This is nuclear winter without the nukes. And this was no offhand comment. It was in a paper in the journal Science, complete with equations containing a gaudy excess of exponents and Greek subscripts.

In the 1970s, which were (surprise!) cold, global cooling was the vogue. Nigel Calder, former editor of New Scientist, said in 1975 that "the threat of a new ice age must now stand alongside nuclear war as a likely source of wholesale death and misery for mankind."

Science Digest declared that "how carefully we monitor our atmospheric pollution will have direct bearing on the arrival and nature of this weather crisis" — i.e., a new "ice age."

All this doomsaying provoked J. Murray Mitchell of the National Oceanic and Atmospheric Administration to remark in 1976 that "whenever there is a cold wave, [the media] seek out a proponent of the ice-age-is-coming school and put his theories on page one. ... Whenever there is a heat wave ... they turn to his opposite number" for a prediction of "a kind of heat death of the earth."

It is one thing to change your mind. It is another to then write the view that you have just abandoned out of polite society.

Ironically, as climate change predictions become more malleable and contingent, climate change activists become more inflexible and intolerant.

The ease with which politicians, popularizers and even scientists can be caught up in popular enthusiasms for one doomsday or another should give us pause.

This is not a call for ignoring climate change. It is a call for a modicum of humility before we go ahead and wreck the good life we have developed over 200 years, in the name of a theory.

Washington Post Writers Group.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Strange Visitor

PARIS — A strange visitor called yesterday morning [Dec. 8] at the Ministry of Foreign Affairs and asked to see Mr. Hanotaux. His name is M. Fun du Klein, and in his belt was sticking a formidable-looking revolver, which the *huissier* who received him fortunately saw in time. Before the Police Commissary, Klein stated he was a law student at the faculty of Geneva. There was no need to be alarmed, he said, at the fact that he carried a revolver. He simply did so because it was the custom of his country. As there is a great probability Klein is not in full possession of his faculties he has been retained in custody.

1922: Premiers Meet

LONDON — Everybody who is in London to-night [Dec. 8] for the meeting of Premiers tomorrow has a plan for saving Germany and Europe. Nobody knows whether anyone's plan will suit anyone else within miles. It is fair to say that no international gathering, not even those of the last two years, has ever found the participants so definitely committed to preconceived and divergent attitudes. All the Americans insist that their presence here is a pure coincidence and that they have no official mission. "I came here to get a couple of pairs of London trousers," Ambassador Houghton told the correspondent of The New York Herald.

1947: Palestine Unrest

JERUSALEM — Jewish-Arab fighting continued without letup today [Dec. 8] in a half-dozen trouble spots in Palestine. At least ninety-nine Jews and Arabs have been killed in nine days in knifing, shooting and other incidents, principally in Jerusalem, Jaffa-Tel Aviv and Haifa.

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OPINION/LETTERS

U.S. Should Refrain From Lecturing East Asia

By Philip Bowring

HONG KONG — Asian hubris is dead. American *hubris is rapidly* replacing it.

If the West — the United States in particular — could cast its mind back to how it felt in the days of Japanese and later Southeast Asian triumphalism, it might understand how East Asia feels now. Out of humiliation has sprung resentment at the trumpeted "triumph" of the American economic way.

Some merely resent the ideological insistence that there is only one way to prosperity, much like the fundamentalist view that there is only one path to heaven.

Others, more darkly, believe the United States is using its dominance of the International Monetary Fund and related institutions to advance its own economic interests under the guise of helping Asia. Still others see neither ideology nor plot, merely hypocrisy.

Asia's problems were mostly home-grown: excessive investment, grandiose projects, massive debt financing, lack of competition, cronyism, corruption and so on. The litany is now familiar.

However, the United States should remember both its own contribution to Asia's problems and the fragile state of its own house.

It is clear to many in East Asia that the surge of short-term capital into the region was the work of Western and Japanese bankers. At the financial policy level, it was enhanced by Western insistence that reducing barriers to capital flows was desirable in itself as well as a necessary adjunct to freer trade.

The sudden actual or threatened withdrawal of *much of that capital over* recent months was what caused the crisis. It is not as though the high debt to equity ratios of Korean *chaebol* were anything new. Likewise, for the past four years at least, a cursory glance at the Bangkok skyline suggested trouble ahead. The foreign banks failed to see it.

Now, the IMF is prescribing yet more liberalization as the cure for the region's ills. It may be right. But the organization should be aware of why many in Asia take a cynical if not openly hostile and nationalistic stance toward it.

There is justifiable suspi*cion that the IMF is there not* to help the troubled countries *but to bail out international* banks. It is indeed curious that the fund (rightly) insists on local banks' being forced to admit losses, close down or be recapitalized. But why not let market forces work their magic in full?

Why not let the Japanese, European and U.S. banks face the consequences of their own follies? Let them try calling in their foreign currency loans to hopelessly indebted enterprises in Korea, Thailand and elsewhere.

The IMF may help global financial stability. But who should pay for that? IMF funds are seen in Asia primarily as a bailout of foreign banks, to be paid for by local taxpayers, shareholders and workers.

Meanwhile, IMF conditions have become an effective way of forcing Asian countries *to accept market opening.*

Again, this may be of long-run benefit to these nations and to world trade. But do not be surprised if they are met grudgingly and with bitterness, based on a belief that the West was using a crisis to which it had contributed to declaw the Asian tigers.

The West's preachiness would be better received if it were more soundly based. The very U.S. economy that boasts of endless growth is *being supported by the excess* savings of East Asia.

Where would U.S. interest rates, the dollar and inflation be without Japanese and Chinese purchases of Treasury bonds? The country that most insists that others reduce their debt is the most indebted of all.

No wonder the United States takes a frosty view of the euro, which just might undermine its ability to use dollar supremacy to finance unending U.S. deficits.

The country that insists on the merits of open markets reacts like a spoiled child when the World Trade Organization rules against it — as in the Kodak case — and attempts to deprive other countries of their freedom to trade with Iran and Cuba.

Is Asia going to respond with anything more than sullen resentment? The answer is "no." It is too divided, particularly over the role of Japan. The Japanese are so indecisive that they are unlikely to take any bold initiatives. But just imagine what, if they were ruthless, they could do:

Stage one: Use their savings excess to establish strategic stakes positions in the region's major, but now very cheap, public companies. Japanese banks could also swap Korean and Thai debt for equity.

Stage two: Dump their excessive dollar holdings. The weaker the dollar, the lower the effective debt of Asia's troubled economies will be and the larger the net worth of its companies.

Result: Japan would emerge with a huge portfolio of cheap Asian equity and a reduced portfolio of exposure to the world's most indebted nation. Tokyo after its Big Bang would finally emerge as the region's financial center.

If this sounds fanciful, remember when a small piece of central Tokyo was worth more than California and the Nomura brokerage was worth more than the top 10 U.S. banks combined? Those days are here again — in a new context.

The whole Thai stock market is now, capitalized at less than half of the Hong Kong and Shanghai Bank's $80 billion and one-fifth of Coca-Cola and Microsoft. All of quoted Korea is worth just $70 billion, a fraction of Japan's holdings of T-bonds.

It is to be hoped that U.S. hubris, like the dollar and stock market, will peak before it does as much damage as Japan's did.

International Herald Tribune.

In a Polish City With a Dark Past, A Visit With One of the 'Rescuers'

By Ari L. Goldman

WARSAW — "Are you going to the death camps?"

That was the question everyone in Israel asked me when I told them I was taking a trip to Poland. It was a strange and chilling question, but one that in many ways reflects the attitude of Israelis in particular and Jews in general to the country where the Nazis killed 3 million Jews during World War II.

There are many death camps to choose from in Poland — Auschwitz-Birkenau, Majdanek, Belzek, Sobibor and Treblinka. They're all accessible and in the guidebooks. Companies can arrange a tour, coach or deluxe, to any number of camps.

I came to Warsaw to give a paper at an academic conference and had one day free to explore. Was I going to the death camps? Before I left Israel, I called a friend in Warsaw, a rabbi who has been working for

MEANWHILE

several years to revive the small Jewish community in Poland. He proposed an alternative itinerary: a visit with him to the home of a rescuer, one of the thousands of quiet heroes of the Holocaust who risked everything to save the life of a Jew.

"I'm going to visit her on Sunday," he said. "I've got an unusual mission. I'm bringing her a gift from the Pope."

Intrigued, I took him up on the offer. It turned out to be a journey that included reminders of both the best and the worst of Poland and, in some small way, of the Vatican's efforts to come to terms with its silence during the Holocaust.

No one knows exactly how many rescuers there were. Thousands never lived to tell their story, let alone be recognized for their deeds. Yad Vashem, the Holocaust memorial in Israel, has documented the cases of 14,954 of what it calls "righteous among the nations," of which roughly one-third, or 4,954, were from Poland.

I met one of them, an 89-year-old widow named Genowefa Mazurkiewicz, on a cold and rainy November day in the Polish city of Kielce after a two-and-a-half-hour train ride from Warsaw.

Kielce is as unlikely as any place in Poland to be the home of a rescuer, for the city is known for one of the ugliest acts of postwar anti-Semitism. After the Nazi defeat in 1945, thousands of surviving Polish Jews returned, battered and bereaved, to their homes. In Kielce, the survivors were welcomed back with a bloody pogrom that took 42 lives. The date was July 4, 1946. Within months some 100,000 Jews had fled the country. Today there are about 15,000 Jews left in Poland.

My rabbi friend, Michael Schudrich, showed me the small plaque commemorating the massacre on a pleasant Kielce street of homes and shops. We then visited the cemetery where the Jewish victims were buried in a mass grave.

We eventually made our way to the neat but drafty two-room cottage where Mrs. Mazurkiewicz lives. For Rabbi Schudrich, who works in Poland for the Ronald S. Lauder Foundation, this was a second visit. He first came here in 1993 to reunite Mrs. Mazurkiewicz with Monique Bronstein, who was 10 years old and alone in the world when, in 1941, Mrs. Mazurkiewicz opened her door to let the girl in. The child had seen her father, mother and brother shot to death by Nazis rounding up Jews.

Monique lived like a member of the Mazurkiewicz family until after the war, when she made her way to Paris and was reunited with distant relatives.

Like other rescuers, Mrs. Mazurkiewicz did not see her actions as anything out of the ordinary. When I asked her why she had risked her life for the youngster, she said simply, "It was the right thing to do."

Her daughter, Maria, who sat close by and held her mother's hand, said, "My mother always taught us, if you share bread with a stranger, you'll never go hungry."

Another characteristic that Mrs. Mazurkiewicz shares with many other rescuers is her faith. She is a devout Christian. All of the art in her apartment is religious, including pictures of the Virgin Mary and of Jesus performing miracles. Every day she goes to Mass.

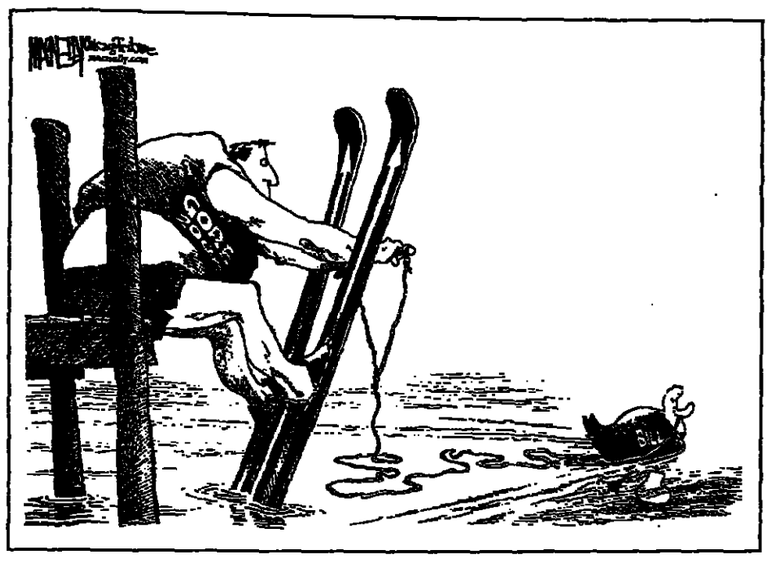
"I brought something for you," Rabbi Schudrich announced at the end of our visit. He held up a leather pouch embossed with the official seal of Pope John Paul II. Through a Polish priest he knows, Rabbi Schudrich arranged to have a set of rosary beads blessed by the Pope to honor Mrs. Mazurkiewicz as a rescuer.

Rabbi Schudrich handed the pouch to the old woman, who took out the ivory beads and lovingly ran them through her fingers. She then clenched them to her breast and smiled.

"I don't think I could have made you happier if I brought you a new car," the rabbi joked.

"A car can break down," the rescuer said, hugging the beads, "but these — these are the pathway to heaven."

The writer, currently a visiting Fulbright professor at Hebrew University in Jerusalem, is an assistant professor at the Columbia University Graduate School of Journalism in New York. He contributed this comment to the International Herald Tribune.



A Challenge Gore Can't Ignore

By David S. Broder

WASHINGTON — On a single day last week, Al Gore's legal problems were greatly reduced — and his political challenge increased.

Entirely overshadowed by the news of Attorney General Janet Reno's decision that President Bill Clinton and Vice President Gore would not have to face an independent counsel investigation of their campaign fund-raising, a speech by Mr. Gore's likeliest challenger for the 2000 nomination, House Minority Leader Dick Gephardt, defined a choice for the Democratic Party that Mr. Gore cannot ignore.

On the money front, Republicans are certain to keep the heat on Mr. Gore for the way he and Mr. Clinton used the White House apparatus to rake in millions of dollars for their campaign. But most of the pols I talked to after Ms. Reno's decision said they thought the continuing clamor would likely be dismissed as the usual Washington partisanship.

"Republicans will continue to say there has been favoritism and politics," said D. J. Leary,

Inequality is Gephardt's major theme.

a veteran Minnesota Democrat, "and Gore won't come into 2000 looking as squeaky-clean as he would have liked."

But as Jeffrey Tulis, the University of Texas presidential scholar, pointed out, "People are not convinced that there have been particular policies bought by contributions or that the scale of fund-raising has been so different from other administrations that it warrants this one being called corrupt."

Barring future bombshells, Mr. Gore should enter the 2000 contest as the favored White House candidate for the nomination. What Mr. Gephardt demonstrated — in a Harvard speech delivered on the evening of Ms. Reno's announcement — is that at least one Democratic leader is able and willing to challenge the case for Democrats continuing down the Clinton-Gore road.

Mr. Gephardt's address was a strong effort to show that his dissenting votes over the last 18 months do not reflect personal pique but a principled belief that the welfare, budget, tax and trade policies Mr. Clinton and Mr. Gore have framed in partnership with the leaders of the Republican Congress represent an abandonment of basic Democratic values.

A weak spot in his case was his contention that he has not shifted his stance since he came to Washington 20 years ago.

The Dick Gephardt who scuttled President Jimmy Carter's hospital cost-containment plan in the Ways and Means Committee in the late 1970s and who was one of only 41 Democrats to vote in 1985 for reducing the deficit by eliminating that year's Social Security cost-of-living adjustment is not the same man who in 1994 led the fight for national health insurance and this year opposed any downward adjustment in the consumer price index for retirement benefits.

Voters are tolerant of changed positions, and Mr. Gephardt ought to abandon the camouflage game and focus on what he articulates extremely well — the concerns and frustrations of working Americans.

He is dead right, my reporting says, when he contends that "the average voter feels that the debate in Washington is a meaningless argument between political adversaries — a debate that is irrelevant to their daily lives and dearest values."

Inequality is his major theme. The "New Economy" that Mr. Gore likes to hail is working wonderfully for the skilled and the educated, Mr. Gephardt concedes, but "contrary to what John Kennedy said, a rising tide has not lifted all boats." The Democrats' historic mission has been to seek social justice for those who need help, not simply to grease the way for those already enjoying success.

When he says that the current recovery has "widened the gap between the wealthy and the working middle class," he is raising a valid issue. And when he says, "There are more jobs, but average income languishes; there is less health coverage, with lower benefits," he is talking reality for millions of Americans.

Mr. Gore has declined to join the debate for now, and his friends are whispering that Mr. Gephardt blundered by seeming to attack the policies of a president supported by the vast majority of Democrats. But even Mr. Gore's people know he will have to answer Mr. Gephardt — and those arguments — before he can be Mr. Clinton's successor.

The Washington Post.

LETTERS TO THE EDITOR

On Turkey

Regarding "A Warning for Turkey's Generals" (Opinion, Nov. 11) by Philip Taubman:

Mr. Taubman presents Turkey's generals as illogical, paranoid doomsayers while painting the Islamists as a crowd that wants "to build a more prosperous Turkey and a more efficient government, not a fundamentalist state."

In 1993, 37 leftist democratic intellectuals were burned alive in the town of Sivas by Islamists. The pro-Islamist media wrote hundreds of articles defending the assassins, and a Welfare Party official in the government at the time offered to be their lawyer.

The leader of the Welfare Party, Necmettin Erbakan, has been open about his party's intentions. He once announced: "We will come to power anyway. The question is will it be with or without bloodshed."

After winning elections in late 1995, Welfare started replacing many state employees with its own people. Women were fired, alcohol licenses were denied and the press was harassed. While deepening ties with Iran and amassing guns, the party's members marched in the streets calling for a *jihad* and insulting Ataturk's republic.

It is among the army's written duties to protect the country and its democratic character. Earlier this year, the army asked the Welfare-led coalition to rein in Islamists. The government, opposed by the president, the army and an overwhelming majority of the Turkish people, had to resign. If the army hadn't believed in democracy it would have found an excuse to stage a coup d'état.

BEDRI BAYKAM.
Istanbul.

The author writes for the Cumhuriyet and Aydinlik newspapers in Istanbul.

Denmark's Benefits

Regarding "A Xenophobic Weed Is Growing in Denmark's Tidy Little Garden" (Nov. 17):

It is hardly a fair outcome that because of many old laws still in force in West European countries such as Denmark, whose definition of "welfare state" is different from America's less generous one, refugees should be showered with benefits even beyond those accruing to those natives of Denmark who have contributed a lifetime of earnings to their pensions.

One would be hard-pressed to find a Dane burdening the state with his two wives and 11 children.

It is unfortunate that popular discourse tends to conflate criticism of foreigners with racism.

In America we love to point a finger at others, casting ourselves in the process as knights in shining armor. But self-righteous finger-pointing makes us all look bad.

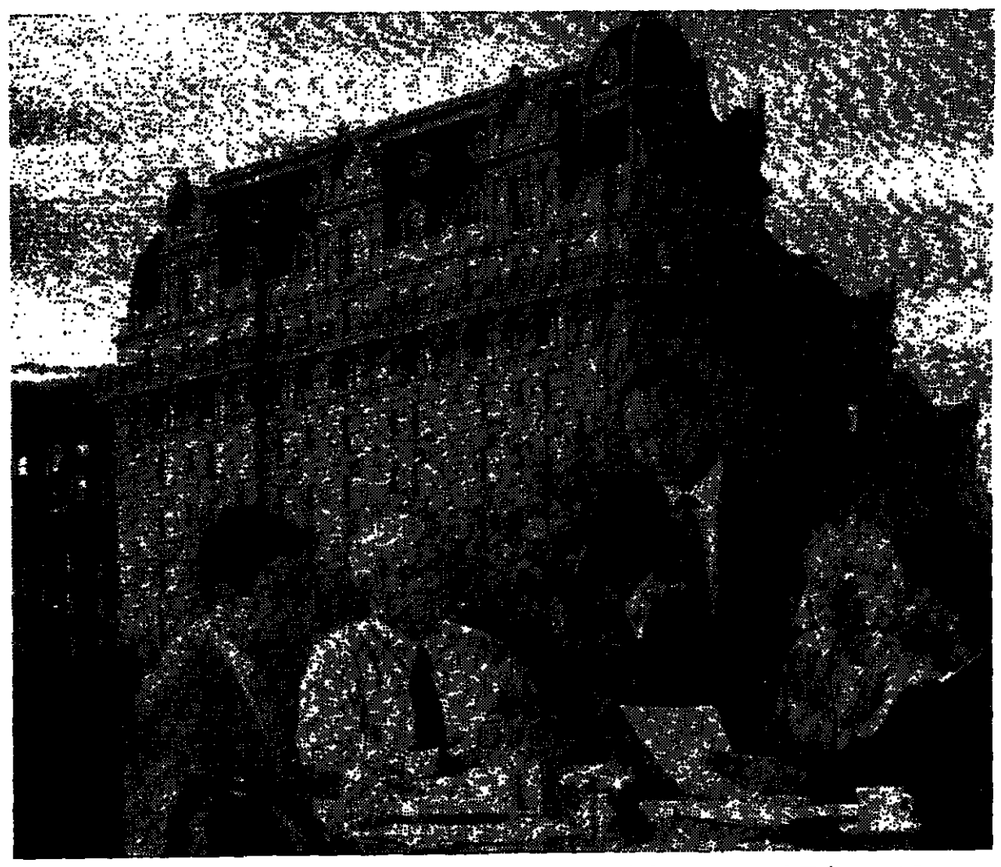
OSCAR ZAMBRANO.
Philadelphia.

Fun in the Skies

Regarding "The Skies of Europe: How Open?" (Features, Nov. 21):

Deregulation has many benefits, for the airlines. Passengers, however, must pay for trips canceled at the last minute; no refund, no credit. They must pay a $100 fee for a change of date. And tall people's kneecaps are mutilated because there is not enough legroom.

DARRIL HUDSON.
San Francisco.



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LUSAKA
NAIROBI
VICTORIA FALLS

*FORUM HOTEL

INTERNATIONAL

KYOTO: *Gore Leaves Climate Talks Cold*

Continued from Page 1

said his statement amounted to "virtual reality": promising rhetoric filled with "dangerous loopholes."

"We in the EU are disappointed the rhetoric was not met by the reality," she said, adding: "We must agree now — before it is too late — on early and significant reductions of emissions or face the disastrous consequences of global warming."

Still, even other EU members said they were willing to give U.S. negotiators a chance to flesh out Mr. Gore's rhetoric, reflecting the confusion caused by his visit and the deep desire to see a treaty signed this week.

"Mr. Gore has given us a window of opportunity, and we don't get many of those," said Peter Jorgensen, the EU spokesman here. "We have a moral responsibility to explore it."

Many scientists say they believe that increasing concentrations of carbon dioxide and other gases will raise temperatures substantially over the next century, triggering a rise in the sea level that could swamp coastal cities and cause disastrous changes in weather patterns.

Top officials from the 159 countries participating took over the negotiations Monday from bureaucrats who had failed to achieve much progress toward an agreement in the conference's first week. With just two days left, major issues are still far from resolved — especially the question of how much individual nations will be required to cut their gas emissions, and how much, or whether, China and other developing nations will be required to take part.

The United States has argued that developing nations, which will soon surpass the industrialized world as the leading emitters of greenhouse gases, must agree to some participation in any treaty agreed to here. The Senate, which must ratify any treaty signed by the United States, supported that position in a 95-to-0 vote last summer.

In his speech Monday, Mr. Gore promised developing countries that the United States was not seeking to deny them the right to modernize their economies. But in a news conference later, he reiterated his statement that any treaty must include "meaningful participation by key developing countries." But he offered no further specifics.

Bakari Mbonde of Tanzania, chairman of an alliance of the 130-plus developing nations represented in Kyoto, called Mr. Gore's speech "just a restatement of the U.S. position."

Mr. Mbonde said the developing nations remained strongly opposed to any treaty that required them to cut their emissions of greenhouse gases. "We are the most vulnerable," he said. "Some of our members stand to lose everything."

Officials from China, which is second only to the United States in the production of greenhouse gases, did not directly address Mr. Gore's proposals. But they reiterated their opposition to being included in any regimen of emissions cuts.

"Poverty eradication and developing the economy are still the overriding priorities of China," said Chen Yaobang of the Chinese delegation. "It's not possible for the Chinese government to undertake the obligation of reducing greenhouse gases until the country develops."

While representatives of developing countries said they would not consider any treaty that required them to make emissions cuts, several members of Congress who have been observing the talks said they would not consider any treaty that did not include such requirements.

"We will not support any treaty that will result in economic harm and the loss of jobs in the United States," said Senator Chuck Hagel, Republican of Nebraska.

Mr. Gore noted that no treaty yet existed and said it was premature to judge how Congress might react to it. "The vast majority of both Democrats and Republicans in the United States would like to see a treaty," he said. But he also predicted a "real knock-down, drag-out debate" in the Senate, and said it would be "good for the country."

Senator John Kerry, a Massachusetts Democrat who is one of six senators observing the process here, said he believed the Senate might consider an agreement under which the developing countries agreed to "a reasonable set of targets and goals," but not necessarily the kind of strict cuts Senator Hagel and others were seeking.

"There's huge capacity for them to grow," Mr. Kerry said of the developing nations. "All we ask is that as they grow they don't make the same mistakes we did."

Chikako Yatabe/The Associated Press

Police officers patrolling the site of the climate talks in Kyoto on Monday.

TOYOTA: *France Draws Foreign Capital*

Continued from Page 1

give investors pause, but decisions are made on a case-by-case basis, and the structural constraints by a long shot don't make it prohibitive to make investments in France."

Some companies, however, have decided to avoid France altogether or relocate part of their business out of the country because of government policies that could raise the cost of investing in the world's fourth-biggest economy.

Daewoo Corp. of South Korea, for example, has abandoned its plans to open a factory to manufacture cathode-ray tubes in the Lorraine region of eastern France, according to French press reports.

But on Tuesday, Toyota will hold simultaneous press conferences in Tokyo and Paris to announce its new plant. Toyota's president, Hiroshi Okuda, met Monday evening with President Jacques Chirac and was scheduled to meet Tuesday morning with Prime Minister Lionel Jospin.

Analysts said Toyota decided to invest in France because it needed to break into the French market. It also wanted to set up a base in one of the founding members of the European Union's planned single currency, the euro.

"Toyota has a plant in the U.K., but they are concerned they could be at a competitive disadvantage since the U.K. has made it clear it won't join the euro at the start," said John Buckland, a car-industry analyst at Daiwa Europe. "In addition, there is a resistance to buying foreign cars in France, and Toyota seems to think that becoming sort of French will help."

Toyota says it has just 1 percent of the French market, Europe's third-largest, after Germany and Italy, and wants to increase that to 3 percent early in the next century. The automaker sold 412,000 cars in Europe last year, about 3 percent of the market, and wants to capture 5 percent of the market within a few years.

The euro is not France's only advantage, industrialists said. France also offers a location at the heart of Europe, excellent transportation, a well-developed network of industrial suppliers and services, and, above all, a well-trained work force.

"Why was France chosen even with its high taxes and high salaries for our new European microelectronic plant?" said Yves Ravez, chief spokesman in France for IBM, which decided in 1995 to spend $1 billion to upgrade a factory south of Paris. "We looked at many options, but it came down to know-how. There is an ability to produce very high technology goods here that we didn't find anywhere else."

Mr. Feldman said that when American companies were asked about the advantages of France they cited most frequently its geographical position and the quality of its workers and suppliers. They complained most about salary costs, the cost of firings, rigid work structures and the country's professional tax.

It is those complaints that get the most attention from France's own industrialists. Ernest-Antoine Seilliere, who is expected to take over as head of the French employers' association, the CNPF, has called on businesses to "destabilize" the government over its plans to cut the workweek to 35 hours to reduce unemployment.

Jean-Daniel Tordjman, a Finance Ministry official in charge of luring overseas investment, said he did not expect the 35-hour plan to hurt foreign investment.

"A decision won't be made until 1999, but no one will be forced to work just 35 hours," Mr. Tordjman said. "The question is how we treat the four hours between 35 and 39. They will be treated as supplemental hours but the differential could be just 10-25 percent, so you are talking less than the cost of one extra hour."

Toyota's factory would create 2,000 new jobs by 2001, adding 1,000 more workers by 2005, when capacity is expected to rise to 200,000 vehicles a year, from 100,000, the business daily La Tribune reported last Thursday.

The government agency in charge of attracting capital said overseas investment created 22,814 new jobs in France last year, up from 19,818 in 1995.

While trying the route of a shorter workweek, the government also provides tax relief and other incentives to lure overseas investors to create jobs. Government subsidies could represent as much as 10 percent of Toyota's 3.5 billion franc investment, La Tribune reported, citing government sources it did not identify by name.

BRIEFLY

Israeli-Turkish Army Talks

ANKARA — Defense Minister Yitzhak Mordechai of Israel held talks Monday on broadening Israel's military ties with Turkey.

Israeli officials said Mr. Mordechai discussed arms projects and planned joint naval exercises in meetings with Turkish civilian and military leaders.

"The relationship between Turkey and Israel is a strategic relationship aimed at strengthening Turkey and Israel and it is not targeted against anyone," Mr. Mordechai said.

But the minister used tough language in a meeting with the head of the Turkish Army, the second-largest in the North Atlantic Treaty Organization.

"When we lock hands, we form a powerful grip," an Israeli security official quoted Mr. Mordechai as telling Ismail Hakki Karadayi, the Turkish armed forces chief.

Iran and Arab countries have criticized Turkey for its closeness to Israel. Syria attacked Turkey's military links with Israel in a resolution to be presented at the summit of Muslim leaders due to start in Tehran on Tuesday. *(Reuters)*

Top Comoros Aide Named

MORONI, Comoros — President Mohammed Taki has named a new prime minister, Nourdine Bourhane, who comes from the breakaway island of Anjouan, official sources said Monday.

In a related decision Sunday, Mr. Taki transformed the transitional committee of state he formed in September to deal with the separatist crisis in the Indian Ocean archipelago into a government.

Both moves come before a reconciliation conference due to open in Addis Ababa on Wednesday that brings together Grande Comore government representatives and delegates from the islands of Anjouan and Moheli.

The transitional committee was set up on Sept. 12 after Mr. Taki dissolved the government and assumed emergency powers in the wake of a foiled military intervention on Anjouan on Sept. 3. *(AFP)*

$1 Million Mexican Reward

MEXICO CITY — Mexico is offering a $1 million reward for information leading to the capture of three brothers who head a drug cartel and allegedly ordered the recent shooting of a well-known Mexican journalist.

The attorney general's office said in statement it would pay 8 million pesos to anyone who helped police capture any of the Arellano Felix brothers: Benjamin, Ramon and Francisco Javier.

The Arellano Felix family heads the so-called Tijuana cartel, known for its violence in drug wars. On Nov. 27, cartel gunmen attacked Jesus Blancornelas, editor of a newsweekly that regularly covers the drug trade. Hit by as many as four bullets, Mr. Blancornelas is still recovering in the hospital nearly two weeks after the attack. *(Reuters)*

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BOOKS

MY BROTHER

By Jamaica Kincaid. 198 pages. $19. Farrar, Straus and Giroux.

Reviewed by Carolyn See

At the end of her memoir, Jamaica Kincaid laments having lost her "perfect reader," William Shawn, the former editor of The New Yorker. But you can look at the writer-reader transaction from the other direction. We read, most of us, in a perpetual state of hope peppered by irritation. Why isn't this book better? we ask so often. Why doesn't the author think a little more before he/she starts to write? Why is this book boring me? Why does some famous critic use "quotidian" six times in 187 pages? They say that the publishing business is hanging by a thread. If that's true, then how did this turkey or that ever get published? Put plainly, writers wish for perfect readers, but readers wish even harder for perfect writers and rarely find them.

As she writes this memoir, Kincaid is about as perfect as it's possible to be. Although the two books are completely different in form and content, "My Brother" recalls Pete Dexter's "Paris Trout": the authors hit a clear, hectic tone at the beginning of each book, and the reader follows along with trepidation and fascination, fearful that the tone will falter, but it doesn't. In both cases, the authors make it through, "perfect writers" for at least the duration of two amazing books.

Kincaid is living in Vermont as the book begins. She has built an ordered and contented life with her husband and children; she's a writer and an impassioned gardener who has escaped about as far as possible from her hard, disordered childhood in Antigua. Then she gets a phone call; her youngest brother is dying — of AIDS.

Because family is everything and the past rules the present (although the author is much too cool to say so explicitly), Kincaid goes back to the island to see what she can do. By now the gulf between what she was and what she is yawns as an abyss. She can't even understand much of what people say to her in their strong dialect; their poverty is overwhelming and terribly sad (although, again, she would never say so). Her distaste and distress are met by a kind of reverse scorn; she's the one who's left and written books about this cruel, rough life; her family has had to — or chosen to — stick here on the island and live it. They turn what might have been their own lack of imagination or ambition into perverse virtue. In their eyes, she's the freak and the wimp.

Her brother, as far as she knows, does drugs — but only cocaine and marijuana. He's had many sexual partners — but only women, as far as she knows. He lies, dying, in the worst hospital on the island, his body rotting from within. Outside it's not too much to say that the island and its people are living out corresponding forms of disorder and civic decay. "On Antigua," she writes, "people never arrive when they say they will; they never do what they say they will do."

In opposition to this thoughtless chaos, Kincaid arrives, bringing AZT (and going into debt to do it), and miraculously her brother recovers for a while, the only man on the island ever to do so. When he does get better, he begins to have unprotected sex with as many women as he can, maintaining that he doesn't have AIDS. The author is left to consider the consequences of her good deed.

But her brother turns out be a minor player in this drama, only one of three brothers and a sister raised by a mother who is operatic in her fiendish scope and scale. And it's possible that this book will be "perfect" only for people who understand up front what the author is talking about, what she is getting at, trying to uncover: "I will not add a qualifier to . . . her hatred toward me, or modify it, this was just so: my mother hates her children." Kincaid may rail at the poverty and careless malice of people on the island, but all that pales against the viciousness of her mother.

Her mother has done — and still does — the very best she can to destroy her children. Family stories of betrayal and destruction accumulate and accrue through the second half of the book, after that brother, poor young man, dies in terrible agony. So this is a story of escaping from a dreadful family and yet never being able to escape entirely.

"I am never wrong," her mother tells Kincaid during a visit to Vermont. "I have nothing to apologize for." And after her mother leaves, the author has "something close to a nervous breakdown." It's not colonialism, it's not AIDS, it's not ambition that is at the heart of this memoir. It's growing up in the murderous presence of withering emotional blight. Using the metaphor of the garden (with her mother as crazed, destructive gardener) Kincaid writes about the agony of being hated. She may have lost her perfect reader, but in this memoir the writer herself has reached controlled and fearless perfection.

Carolyn See reviews books weekly for The Washington Post.

CHESS

By Robert Byrne

At the VAM Tournament in Hoogeveen, the Netherlands, Emil Sutovskij of Israel showed off his precise tactical skill at the expense of Judit Polgar of Hungary in their game.

The Taimanov Variation of the Sicilian Defense, with 3...Nc6 and 5...Qc7, keeps a low pawn profile to avoid giving White any early targets. Since this enemy is elusive, White often, as here, aims for a conservative, solid buildup in the center with 6 g3 and 7 Bg2.

The aggressive development, 9...Bc5, was answered by the equally aggressive 10 Bf4, one point being that 10...Bd4?! would be a positional mistake in view of 11 Bc7 d5 12 ed Bc3 13 bc Nd5 14 Be5 f6 15 c4! Nb4 16 Bc3 Nc6 17 Rab1, with a superior endgame for White.

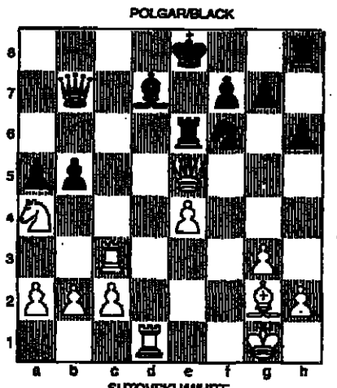
The venture of the black king into the center with 13...Ke7 is all part of the strategy of this splinter of the Taimanov. If Black can survive into an endgame, everything will be quite all right, but if not ...

Black cannot well eliminate his backward d6 pawn with 14...dc because 15 f4! is very strong for White. After 16 f4, the threat was 17 Qb4 followed by 18 fe. Polgar stopped that with 16...a5, but after 17 Qd3!, Sutovskij threatened to carry out the same theme with 18 Qa3! If 17...b5 18 Nc3 Ba6, then 19 Nd5 Nd5 20 ed Qc5 21 Rf2 ef 22 Qe4 Kf8 23 Qf4 gives Black a bad king position.

But Polgar's 17...Ra6 was no improvement; after 18 fe de 19 Qa3 Ke8, her king was still stuck in the center. Sutovskij's 20 Rf3! powerfully brought a new piece into action. If 20...Bg4, then 21 Rc3 Bd1 22 Rc6 Rc6 23 Bf1! Nd7 24 Bb5 Rc7 25 Qd6 wins. If 20...Qc2, then 21 Rfd3 Bd7 22 Bh3! cleans up.

After 20...b5, he bored in with 21 Rc3 Qb7 22 Qc5 Bd7 23 Qe5 Re6 24 Qd4! ba 25 e5 Qb6 26 ef gf 27 Bh3! Qd4 28 Rd4, when Polgar had to lose rook for bishop. After 32 Rd2, Polgar gave up the hopeless endgame.

POLGAR/BLACK



SUTOVSKIJ/WHITE

Position after 23 . . . Re6

SICILIAN DEFENSE

White Sut'skij	Black Polgar	White Sut'skij	Black Polgar
1 e4	c5	17 Qd3	Ra6
2 Nf3	e6	18 fe	de
3 Nc3	Nc6	19 Qa3	Ke8
4 d4	cd	20 Rf3	b5
5 Nd4	Qc7	21 Rc3	Qb7
6 g3	a6	22 Qc5	Bd7
7 Bg2	Nf6	23 Qe5	Re6
8 0-0	Nd4	24 Qd4	ba
9 Qd4	Bc5	25 e5	Qb6
10 Bf4	d6	26 ef	gf
11 Qd2	h6	27 Bh3	Qd4
12 Rad1	e5	28 Rd4	Ke7
13 Be3	Ke7	29 Rc7	Rd8
14 Bc5	Qc5	30 Be6	fe
15 Na4	Qc6	31 e4	e5
16 f4	a5	32 Rd2	Resigns

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The Verve and Vivacity of Versace in Met Retrospective

By Suzy Menkes
International Herald Tribune

NEW YORK — "WHAAM!" read the letters on a transparent lemon-yellow dress. And that sums up the spirit of the exhibition celebrating the verve and vivacity of Gianni Versace.

In homage to the late designer, the plastic dress in which Madonna posed for the flashbulbs, Courtney Love's slinky white Oscar gown, a duck-egg-blue creation for Diana, Princess of Wales, the cover shot and the safety-pin dress that rocketed Liz Hurley to her 15 minutes of fame are all gathered together at the Metropolitan Museum.

The Costume Institute has devoted its blockbuster December show to "Gianni Versace" (until March 22), and it launched the event Monday with a $2,000-a-plate frock 'n' roll gala, co-hosted by Donatella Versace and Elton John and held in the museum's white marble sculpture court. Classic versus funk. Very cool. Very now. Very Versace.

The effect of the instant retrospective, put together in the four months since the designer was slain, is to underline Versace's image as a maestro of glitz and to reinforce certain prejudices: that he raised vulgarity to an art form and reveled in making brash fashion heroines. But it does scant justice to Versace's pioneering luxury sportswear in the early 1980s and only touches on his flamboyant contribution to menswear.

Richard Martin, the curator of the Costume Institute, lays out his thesis in the first of the wall texts, each introduced with a quotation from Marcel Proust, apparently Versace's favorite reading. Martin contends that the designer "chose the prostitute as his exemplum," developing that image as a 1992 black wool dress with bondage straps or a sexy caricature of a draped neoclassical gown.

"In a feat worthy of literature, Versace seized the streetwalker's bravado and conspicuous wardrobe, along with her blatant, brandished sexuality, and introduced them to high fashion," Martin claims. In other words, whereas the history of 20th-century fashion is littered with loose women whom artful couturiers remodeled for high society, Versace is presumed to have made society women dress as happy hookers.

If this were true, the most spectacular outfits in the show — say the animal-print, bare-midriff pantsuit or the boudoir corset-and-lace dresses — would acknowledge a loan or donation from particular clients. Instead, 95 percent of the show — even including the sweeping wool bridal coat worn by Francesca von Habsburg — are courtesy of the Gianni Versace archives or a gift of the designer. In a foreword to the catalogue, Philippe de Montebello, director of the Metropolitan, hails Versace as a "generous patron" of the Costume Institute.

But if you let the subject of a show make his own posthumous movie through personally selected archives, something is lost: in this case, the strong sportswear pieces on which Versace built his reputation. Where are the bold-shouldered, narrow-hipped coats that were Versace's contribution to luxurious Italian style? Or the curvy leather pants and dolman-sleeve sweaters that were a fashion uniform on Milan's Via della Spiga in the early 1980s? Where even are the recent pastel suits as worn by Diana and the international jet set?

In the testosterone-raising collection of flirtatious evening frocks, there is not one single outfit from the 1970s, when Versace's designs for Complice and Callaghan created the feminized androgyny that was seminal to the following fashion decade. There is nothing even from the debut women's collection in 1978.

Martin says that the early pieces were hard to find and that the reason that there are so few client loans is that "Versace didn't take the rich people of New York in his lifetime — they didn't get it, because they saw it as too aggressive, too vulgar and too bright."

But the suspicion remains that the show is as it is because Martin wants to propose a particular thesis about Versace's skill as a dressmaker and role as "Pygmalion to the prostitute," rather than make a chronological assessment of the designer's development and evaluate his contribution to fashion.

Taken on its own terms, the show is a lively spectacle, especially when theater designs are shown in a darkened room, where a panniered gown designed in 1989 for Richard Strauss's "Capriccio" morphs into another costume projected on a slide.

ONE vitrine is dedicated to Versace's landmarks, like the Hurley safety-pin dress. Such is the power of media images, that, abstracted from the celebrity context, the outfits still seem to bear the imprint of their famous wearers — even though the mannequins faces are wittily wrapped in printed scarves.

Another subject is Versace and modern art, a major inspiration of the 1990s. Outfits includes Warhol prints, elaborate Sonia Delaunay embroidery and light-handed chiffon dresses fluttering with the silhouettes of Alexander Calder mobiles.

In the history section are Versace's eclectic borrowings: a gladiator tunic here, a Byzantine cross there, a 1930s gown à la Madame Gres and an 18th-century ball gown with a jean jacket. Fabric innovations include Versace's slinky metal-mesh dresses.

Some of the claims Martin makes seem absurd. Surely it is not "a surprise in fashion history" that Versace made a design feature out of studs, when they were a staple of customized denim jackets in the 1970s? And what was so "controversial" about using plastic in the 1990s, when designers had played with vinyls and PVCs throughout the 1960s?

It would have been interesting to see Martin discuss Versace's innovations in leather (and his sexpot silhouette) in relation to Azzedine Alaia, a neglected fashion genius, who is coincidentally the subject of an exhibition that opened on Saturday at the Groninger Museum, in Groningen, the Netherlands.

Menswear also gets very short shrift — with a couple of printed shirts and rock gear. Yet Versace's peacock male flamboyance was not only sociologically significant, in that it reflected the gay pride and bravado of 1980s, it also influenced the course of mainstream male dressing by breaking down bourgeois barriers.

The Costume Institute is commendably energetic and prolific with its exhibitions. But Versace needs a cooler and more complete assessment than this dramatic presentation of glamorous but evanescent dresses.

Photograph by Karin Willis

Animal-print ensemble and evening gown in PVC and clear vinyl.

Photograph by Irving Penn

Gianni Versace ball gown at the Costume Institute's restrospective of the designer's work.

A Gem of a Show: The Ice and Fire of Diamonds

International Herald Tribune

NEW YORK — The faces were pressed so close to the glass that it steamed up with misty breath. This was Tiffany's holiday windows, where frosty Mozartian tableaux are created out of icing sugar cookies? Or maybe Bergdorf's window display of a manic Marie Antoinette, with trinkets on the shelves inside her crinoline skirt?

No. The jewel-decked crowd in evening dress was gazing at an exhibition of diamonds: the Krupp rock that Richard Burton bought for Liz Taylor; the bouquet-of-flowers pin that belonged to Jacqueline Kennedy; the glacial tiara, worn by Princess Grace of Monaco to her daughter Caroline's wedding, and the gems encrusting the sable-trimmed crown of Peter the Great.

The annual ball at the American Museum of Natural History last week offered a private peek at a crowd-pulling show: "The Nature of Diamonds" (until April 26).

The exhibition was conceived as an educational tool to explain the geological formation of diamonds and how they are transformed by nature and by man. Multimedia effects, from a re-created mine tunnel to a simulated volcanic explosion, explain how diamonds develop and their application to industry and technology.

But the myth-making that has surrounded the stones for centuries still holds. People inevitably gravitate towards the central display, where Marilyn Monroe sings "Diamonds Are a Girl's Best Friend," interspersed with clips of Mae West, Rita Hayworth and other sparkling Hollywood moments. In contrast to that all-out glamour, another film shows the painstaking needle-in-a-haystack search for diamonds in the wilds of Canada.

To celebrate 50 years of the slogan "A diamond is forever," the exhibition is being sponsored by the Diamond Information Center on behalf of De Beers. And the famous jewels that have been rallied for the event are so exceptional that some are housed in a walk-in vault.

Having studied the crystal structure of the diamond in its natural state, the effects achieved by cutting, polishing and setting seem the more remarkable: The 128.54-carat Tiffany yellow diamond, with a bird perched on top, created by Jean Schlumberger in the 1960s; or the stars *en tremblant* on an 1863 tiara from the Portuguese crown jewels. Against the lacy Cartier bow brooch and Van Cleef's geometric Art Deco pin, the modern designs seem kitsch — especially the pink diamond rabbit on a sugar-pink Bakelite bangle.

As well as gems for adornment, the exhibition includes the jeweled Gospel cover of Catherine the Great, set with more than 2,000 gems, one of several exceptional loans from the Kremlin.

"Diamonds always seem so cold to me — they have no warmth, no soul," Cary Grant says on screen as he gazes at Mae West's glittering bosom. But the orgy of opulence and glamour represented by this exhibition of gems makes it the hottest show in town.

Suzy Menkes

Manuel Silveira Ramos/FHS

Brooch with suspended 31.93-carat yellow diamond.

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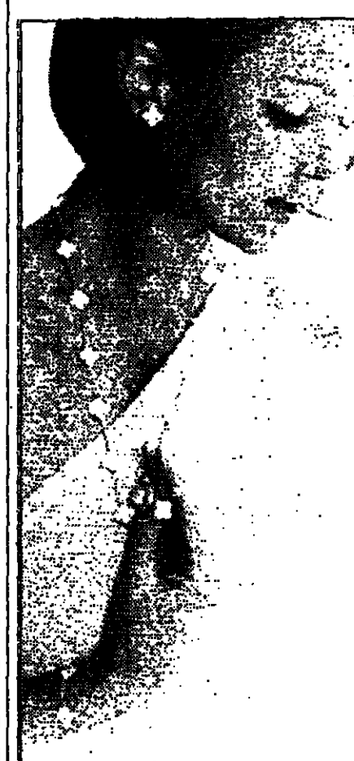

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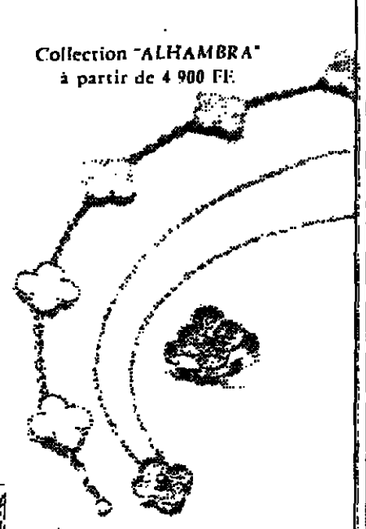

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Progress Seen In WTO Talks On Opening Finance Sector

By Alan Friedman
International Herald Tribune

PARIS — With a deadline fast approaching, diplomats reported substantial progress Monday toward a global financial-services deal that would liberalize billions of dollars worth of trade in the banking, insurance and brokerage sectors by lowering tariff and investment barriers.

But the United States is expected to maintain a tough line right up until the Friday deadline, demanding better market-opening measures from Asian and Latin American countries. "Until last week the chances of a deal were 50-50," a U.S. official said Monday. "Now they are a little better than 50-50."

Non-U.S. officials meeting at the World Trade Organization in Geneva, meanwhile, argued that the chances of achieving a pact by the deadline were improving steadily. On Monday, the negotiators welcomed an offer from Brazil, whose market-opening proposal was expected to be followed by proposals from other Latin American countries such as Argentina, Paraguay, Uruguay and Colombia.

Trade officials involved in the long-running talks also said that by Tuesday they expected key East Asian countries such as Thailand and Indonesia to make offers to allow foreign investors to buy majority stakes in some finance firms.

"With the news of today's offers we now have submissions from 60 countries," said Renato Ruggiero, director-general of the WTO. "We will have a substantial harvest on the table, one which we cannot afford to lose."

The U.S. official, who declined to be identified, said the prospect of new offers was "unquestionably a step forward" but he stressed that there were "still 10 more offers outstanding which we view as part of the critical mass needed to achieve an agreement."

The official said that the deputy U.S. trade representative, Jeffrey Lang, was expected to arrive in Geneva late Monday, and would review the offers.

Although Mr. Ruggiero said Monday

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SBC Calls On a Bridge-Builder

Bloomberg News

BASEL — When Swiss Bank Corp. bought S.G. Warburg Inc. two years ago, it chose Marcel Ospel to find a way to bridge the cultural gap between denim-clad Swiss bankers and pinstripe-suited British brokers.

Then the senior vice president of Swiss Bank, Mr. Ospel succeeded largely by making swift changes that included cutting duplicated jobs, such as those of U.S. Treasury bond traders. After the acquisition this year of the U.S. investment bank Dillon Read & Co., Swiss Bank counts Warburg Dillon Read as one of its most profitable units.

Now, the bank is calling on Mr. Ospel again. This time, the 47-year-old is chief executive of Swiss Bank Corp., and the job he faces is bigger — combining Swiss Bank and its larger rival, Union Bank of Switzerland, into United Bank of Switzerland, which would be the world's second-largest bank in terms of assets, after Bank of Tokyo-Mitsubishi Ltd.

As chief executive of the merged bank, Mr. Ospel will have to be tough enough to dismiss nearly a quarter of the banks' 56,000 workers and diplomatic enough to avoid being blocked by unions or government officials. People who know him say he is the man for the job.

"He comes across as an easy-going, charming person," said Hans Kaufmann, an analyst and fund manager at Bank Julius Baer & Co., "but in reality he's very tough. If he sets his mind on something, he normally sees it through."

Mr. Ospel was named head of SBC Warburg after Swiss Bank's then-chief executive, Georges Blum, concluded an £860 million ($1.42 billion) takeover of S.G. Warburg Group in 1995 and promptly defied those who said Warburg's employees could not work with the Swiss.

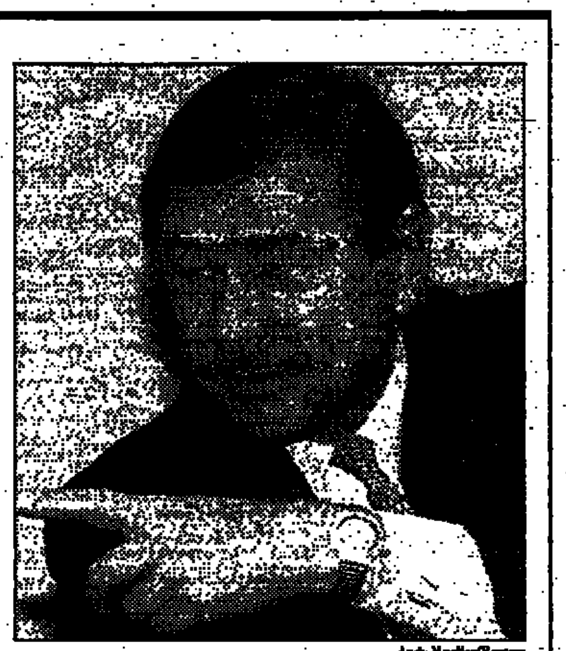
He faces a similar task in knitting together United Bank of Switzerland: Swiss Bank's meritocratic culture may clash with the more military-style management of UBS, which only last year broke with tradition by appointing as chief executive someone who was not an officer in the Swiss Army, Mathis Cabiallavetta.

Combining Basel-based Swiss Bank with Zurich-based UBS will lead to 13,000 job losses — about 7,000 of them in Switzerland — after Swiss Bank already has cut 1,700 jobs in a reorganization and UBS has trimmed 1,100. Analysts said the job losses were necessary if Mr. Ospel wanted to improve the bank's performance and cement his reputation as one of Switzerland's most dynamic bankers.

"Ospel is a man of vision," said Madeleine Hofmann, an analyst at Credit Suisse. "Under him, SBC's performance has improved dramatically."

Mr. Ospel, a graduate of the School of Economics and Business Administration in Basel, joined Swiss Bank's marketing department in 1977. He spent five years at Swiss Bank in New York and London and two years at Merrill Lynch in Zurich before rejoining Swiss Bank as senior vice president in 1987.

He is the former head of global markets at Swiss



Andy Mueller/Reuters
Marcel Ospel, who melded SBC Warburg.

Bank and ran its international and finance division before becoming head of SBC Warburg.

Investor confidence in him is reflected in Swiss Bank's shares, which had surged 76 percent this year before the merger announcement, outperforming UBS stock, which gained 64 percent.

On Monday, Swiss Bank's shares rose 25 francs to close at 472.50, and UBS gained 215 to 2,145.

Bangkok Culls Firms In Finance

Only 2 of 58 Companies Are Cleared to Reopen

By Thomas Crampton
International Herald Tribune

BANGKOK — The government permanently closed more than half of the country's finance companies Monday in a bold move that surprised analysts with its severity.

The action sends about 6,000 of the country's most qualified professionals to the ranks of the unemployed and opens the way for a 930 billion baht ($22.36 billion) asset auction. But analysts said it was just the first step for Thailand to sort out its debt-burdened finance sector.

"This was a medical amputation, now we have to see whether the cancer already spread to the rest of the system," said Barry Yates, head of regional research at Seamico Securities. "It is critical for the remaining finance companies and commercial banks to increase their capital and hook up with strategic partners."

Just two of the 58 finance companies suspended by authorities over the past five months — Bangkok Investment PLC and Kiatnakin Finance & Securities PLC — will reopen, Finance Minister Tarrin Nimmanahaeminda said in announcing the long-awaited closures. Analysts had expected as many as seven companies to survive.

The main Bangkok stock market index closed 3.35 percent higher at 401.80 points, and the Thai currency firmed slightly as the dollar slipped to 41.30 baht from 41.60 baht.

While not unexpected, the company closures still came as a shock to their employees.

"I just don't know what to do. Should I go home now, or should I wait for somebody to fire me?" an analyst from Thaimex Finance & Securities PLC said. "Most people are waiting around to be officially fired because then we can get full compensation."

Police had been placed on alert for clashes, but Twatchai Yongkittikul, chairman of the Financial Restructuring

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Netscape-Microsoft Browser War Limits Web Access

By Steve Lohr
New York Times Service

NEW YORK — A browsing program is intended to be a kind of universal viewer, a technological passport to see all that the World Wide Web has to offer. It has been called the Internet's software equivalent of a telephone dial tone.

But, because of the spirited competition between Netscape Communications Corp. and Microsoft Corp., a single browser is no longer a window onto the entire Web, and many Internet experts predict that the problem will worsen over the next year or so.

In a handful of cases, sites are blacked out entirely to one browser or another. Use Netscape's Navigator browser to tap into the Warner Brothers entertainment site, called Entertaindom, and you get the message: "You must first download Microsoft Internet Explorer 4.0."

Microsoft's own on-line gaming site, called the Zone, is similarly unavailable to those using Netscape's browser. An apologetic message appears on the screen saying that Microsoft is working to add access for Netscape users.

"In the meantime," the message adds, "we invite you to download Microsoft Internet Explorer for free."

More common is something that can be thought of as a Web brownout, with some features of a site, perhaps 10 percent to 30 percent, not working properly with a certain browser.

"It will be an increasing problem for Internet users over the next year or 18 months," said David Smith, an analyst for the research firm Gartner Group.

Brownout troubles are partly a byproduct of innovation. Seeking a competitive edge, Microsoft and Netscape are rapidly adding capabilities for handling video, audio and data on their browsers. As they push ahead, they take different technological paths.

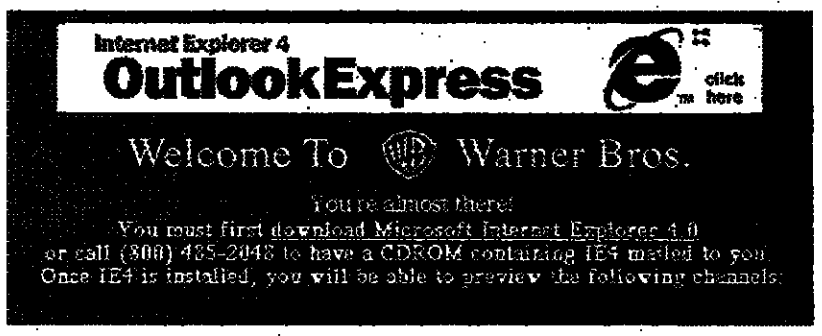
If a Web developer wants to take advantage of some cutting-edge feature, the site often must choose to tailor its software to work best with Navigator or Explorer.

To see all of the Web, some experts advise users to load both browsers onto their personal computers.

If part of a site is not coming through with Navigator, try Explorer, they say, and vice versa.

Michael Miller, editor in chief of PC Magazine, gave the magazine's million-plus subscribers precisely that advice recently. In the Nov. 18 issue, after testing both browsers, he wrote, "I often run into sites that support Netscape's latest features and don't look right in the Microsoft browser. And now that Microsoft has more supporters, I'm more often running into sites that look great in I.E. but don't work right in Navigator."

The extra cost of having two browsers is minuscule. Microsoft gives its browser away, while Netscape allows people to use its without charge for a trial period.



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Thinking Ahead /Commentary

Asia's Crisis: A Blessing in Disguise?

By Reginald Dale
International Herald Tribune

WASHINGTON — With dire warnings of the dangers of the Asian financial crisis echoing around the globe, it seems unfashionable, if not callous, to suggest that the whole thing could be a blessing in disguise.

Precisely such a thought, however, has been voiced by Michel Camdessus, the managing director of the International Monetary Fund, the man who is at the center of international efforts to save Thailand, Indonesia and now South Korea from largely self-inflicted ruin.

The idea that the Asian debacle might in some sense be welcome is, to put it mildly, not a popular view in the once high-flying Asian countries that now face severe economic retrenchment, unprecedented bankruptcies and mounting unemployment, not to mention huge loss of face. But, provided the main actors in the crisis now play their parts as they should, which is admittedly a big proviso, Mr. Camdessus may well turn out to be right.

The outcome will be salutary, both for Asia and the world at large, if the crisis finally forces Asian countries to undertake major and long-overdue changes in the way they conduct their economic, financial and even political affairs — the more so if, thanks to international support and IMF supervision, the reforms can be undertaken in an orderly manner. The key question is whether Asian governments have become too set in their ways to change.

But there is now no excuse for failing to understand that the government-run "crony capitalism" so widely practiced in Asia has become a recipe for disaster. In many countries, economic and financial resources have been severely misused, and proper disclosure and supervision of financial operations has been sadly lacking.

If the Asian disease is to be cured, companies, banks and governments all must open themselves to genuine competition and fuller public scrutiny. That

The turmoil could finally force major and long-overdue changes in the countries affected.

not only will help to ensure a return to healthy economic growth but also should pave the way to fairer and more democratic societies, underpinned by greater governmental and corporate accountability.

Another big blessing would be if the crisis were to speed change in Japan. Although Tokyo's problems are quite different from those of Thailand, Indonesia and South Korea, Japan urgently needs to deregulate and revamp its economy and loosen the grip of the country's notorious bureaucrats on the levers of power.

The catalyst for change could be Japan's long-simmering financial and banking crisis, which is about to achieve critical mass after seven years of neglect. If Japan's political leaders fail to resolve the problem quickly, the prophets of doom for the world economy could be right.

But if the politicians succeed in staving off disaster, as now certainly seems possible, it would be a clear sign that Japan can muster the political will to introduce other necessary economic and regulatory reforms.

It is already clear that a solution to Asia's crisis will require more than the kind of immediate economic and financial measures prescribed by the IMF. In some countries, a longer-term process of cultural and political change will be needed if economies are to become more efficient.

It is important not to mistake the origins of the crisis. It is simply not true, as some have said, that the upheaval was caused by too much globalization — or by the West forcing its values on the East — and that the remedy should therefore be less globalization.

If anything, the crisis is due to insufficient globalization. The whole aim of some Asian countries has been to take advantage of other people's markets without opening their own. Liberal Western-style rules and practices are often conspicuous by their absence.

One undisguised blessing of the crisis is that it is helping to make that clearer.

CURRENCY & INTEREST RATES

Cross Rates

Dec. 8

	$	£	D.M.	F.F.	Lira	D.fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.0745	3.32	1.1259	0.3367	0.1151*	—	5.4625*	1.3874	1.5445*	1.417	1.334*
Brussels	36.61	61.055	20.53	6.1665	2.1072*	18.2085	—	25.405	0.2924	25.75	24.4175*
Frankfurt	1.785	2.9589	—	0.2983	0.1022*	0.8874	4.8479*	1.233	1.3684*	1.258	1.1832*
London (a)	1.6477	—	2.9471	9.8629	2885.39	3.3212	60.3990	2.3741	215.15	2.3357	246.91
Madrid					Closed*						
Milan					Closed						
New York (b)	—	1.6477a	1.7897	5.9585	1,754.20	2.0163	36.91	1.454	130.525	1.4213	150.75
Paris	5.9806	9.6695	3.3466	—	0.3419*	2.97	0.1627	4.1758	4.5776*	4.2081	3.961*
Tokyo	129.79	214.13	72.75	21.74	0.740	64.57	3.5773	87.81	—	91.18	0.8613
Toronto	1.4229	2.3394	0.7930	0.2372	0.081*	0.7046	0.3865*	0.9746	1.087*	—	0.94*
Zurich	1.4552	2.3975	0.8126	0.2428	0.083*	0.7223	3.9394*	—	1.1155*	1.0236	0.9617*
1 ECU	1.1061	0.6659	1.9767	6.6154	1,934.96	2.2254	40.775	1.6022	144.517	1.5728	167.005
1 SDR	1.349	0.8155	2.4016	8.063	N.Q.	2.7165	49.715	1.9562	175.16	1.919	N.Q.

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*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

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Dec. 8

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	6 3/16 - 6 5/16	3⅝ - 3¾	1 7/16 - 1 9/16	7 9/16 - 7 11/16	3 7/16 - 3½	⅝ - 1	4 9/16 - 4 11/16
3-month	5 27/32 - 5 31/32	3 11/16 - 3¾	1 11/16 - 1¾	7½ - 7 9/16	4 5/16 - 4 7/16	⅞ - 1	4⅜ - 4½
6-month	5 29/32 - 5⅞	3¾ - 3⅞	1¾ - 1⅞	7 9/16 - 7 11/16	3¾ - 3 13/16	⅝ - 1	4 9/16 - 4 11/16
1-year	5 15/16 - 6 1/16	3 15/16 - 4 1/16	1⅞ - 2	7¾ - 7 13/16	3 15/16 - 4 1/16	¾ - ⅞	4 13/16 - 4 15/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	279.74	Mex. peso	8.127	S. Afr. rand	4.871
Australian $	1.4963	Hong Kong $	7.7365	N. Zealand $	1.6731	S. Kor. won	1342.50
Austrian sch.	12.550	Hung. forint	200.41	Norw. krone	7.2055	Swed. krona	7.7862
Brazil real	1.1101	Indian rupee	38.9	Phil. peso	35.10	Taiwan $	31.90
Chinese yuan	8.31	Indo. rupiah	4025.0	Polish zloty	3.55	Thai baht	41.30
Czech koruna	34.99	Irish £	0.6872	Port. escudo	182.07	Turkish lira	196475
Danish krone	6.796	Israeli shek.	3.5394	Russ ruble	5925.5	UAE dirham	3.671
Egypt. pound	3.4043	Kuw dinar	0.3024	Saudi riyal	3.75	Venez. boliv.	501.75
Fin. markka	5.3883	Malay. ring.	3.665	Sing. $	1.6167		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6522	1.6499	1.6475	Japanese yen	129.96	129.26	128.69
Canadian dollar	1.4205	1.4187	1.4171	Swiss franc	1.4465	1.4460	1.4455
Deutsche mark	1.7818	1.7787	1.7759				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

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United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5 7/16	5½
90-day CDs dealers	5.84	5.81
180-day CP dealers	5.57	5.57
3-month Treasury bill	5.20	5.15
1-year Treasury bill	5.32	5.26
2-year Treasury bill	5.82	5.77
5-year Treasury note	5.91	5.86
7-year Treasury note	5.93	5.87
10-year Treasury note	5.94	5.89
30-year Treasury bond	6.13	6.08
Merrill Lynch 30-day RA	5.10	5.10
Japan		
Discount rate	0.50	0.50
Call money	0.39	0.41
1-month interbank	0.90	1.10
3-month interbank	0.90	0.95
6-month interbank	0.90	0.95
10-year Govt bond	1.81	1.82
Germany		
Lombard rate	4.50	4.50
Call money	3.46	3.44
1-month interbank	3.74	3.74
3-month interbank	3.75	3.75
6-month interbank	3.86	3.86
10-year Bund	5.39	5.44

Britain		
Bank base rate	7¼	7¼
Call money	7¼	7⅛
1-month interbank	7 9/16	7½
3-month interbank	7 9/16	7 9/16
6-month interbank	7¾	7¾
10-year Gilt	6.50	6.53
France		
Intervention rate	3.30	3.30
Call money	3⅜	3⅜
1-month interbank	3½	3 7/16
3-month interbank	3⅝	3 9/16
6-month interbank	3¾	3¾
10-year OAT	5.34	5.43

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	288.05	—0.20
London	288.10	287.50	+0.10
New York	290.50	290.00	—0.50

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)
Source: Reuters.

PRIVATE BANKING

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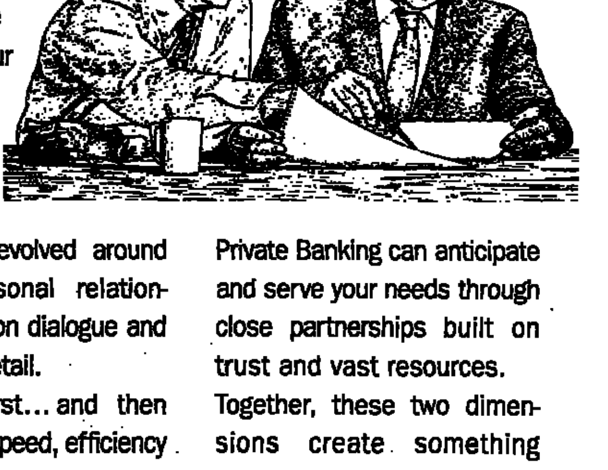

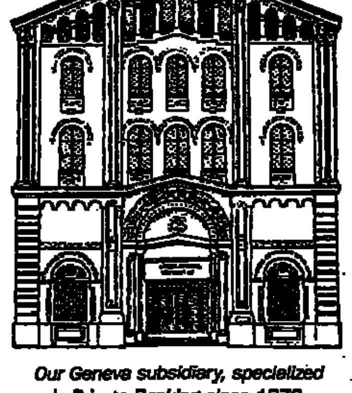

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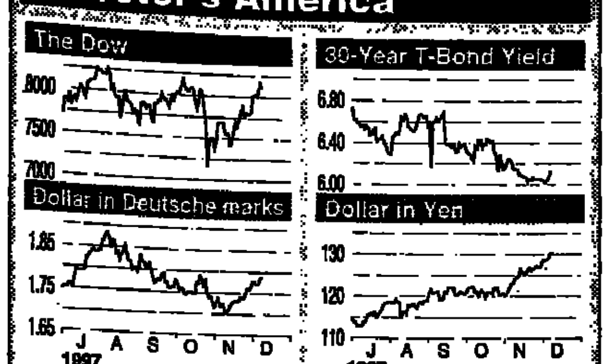
THE AMERICAS

Investor's America



Exchange	Index	Monday 4PM	Prev. Close	% Change
U.S.	The Dow	8110.84	8149.13	-0.47
U.S.	S&P 500	982.37	983.79	-0.14
U.S.	S&P 100	472.49	473.53	-0.22
U.S.	NYSE Composite	513.44	514.31	-0.17
U.S.	Nasdaq Composite	1651.54	1633.90	+1.08
U.S.	AMEX Composite	673.49	670.27	+0.48
Toronto	TSE Index	6787.70	6723.20	+0.96
Sao Paulo	Bovespa	10076.91	10080.85	-0.04
Mexico City	Bolsa	5130.36	5117.93	+0.15
Buenos Aires	Merval	723.77	721.84	+0.26
Santiago	IPSA General	Closed	4966.75	
Caracas	Capital General	Closed	8803.11	

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

• **First American Corp.** will pay $2.7 billion in stock to buy **Deposit Guaranty Corp.** of Jackson, Mississippi. The combined company will have about $17.4 billion in assets and shareholders' equity of $1.65 billion and will conduct business in Tennessee, Mississippi, Louisiana, Arkansas, Virginia and Kentucky.

• **Procter & Gamble Co.** agreed to sell its Duncan Hines baking-mix business, which has annual sales of about $250 million, to **MBW Investors LLC**, an investor group that owns **Aurora Foods Inc.** Terms of the deal were not disclosed.

• **The New York Stock Exchange** said it expected to begin listing Indian shares in the next 12 to 18 months, adding that at least 10 Indian companies would be listed within two years.

• **Apple Computer Inc.** paid its former chairman and chief executive officer, Gilbert Amelio, a severance package of about $6.7 million in connection with his resignation.

• **Woolworth Corp.** announced the sale of Woolworth Mexicana, its Mexican unit, to the Mexican retailing corporation **Control Dinamico**, completing Woolworth's withdrawal from its North American general-merchandise business. Terms were not disclosed. *Bloomberg, Reuters, AFP, NYT*

Weekend Box Office

The Associated Press

LOS ANGELES — "Flubber" dominated the U.S. box office over the weekend, with a gross of $11.8 million. Following are the Top 10 moneymakers, based on Saturday's ticket sales and estimates for Sunday.

1. Flubber	(Walt Disney)	$11.8 million
2. Alien Resurrection	(Twentieth Century-Fox)	$6.25 million
3. John Grisham's The Rainmaker	(Paramount)	$5.7 million
4. Anastasia	(Twentieth Century-Fox)	$4.55 million
5. The Jackal	(Universal)	$4 million
6. Midnight in the Garden...	(Warner Bros.)	$3 million
7. Mortal Kombat Annihilation	(New Line Cinema)	$2.5 million
8. I Know What You Did Last Summer	(Columbia)	$1.35 million
9. Bean	(PolyGram)	$1.29 million
10. Starship Troopers	(Tristar)	$1.25 million

Dollar Maintains Highs Against Yen

Bloomberg News

NEW YORK — The dollar held at a five-and-a-half-year high against the yen Monday on concern that a bailout plan due this week would not do enough to fix the problems faced by Japan's debt-strapped financial system.

The U.S. currency climbed against the Deutsche mark on expectations that a report Tuesday will show German unemployment remaining near post-World War II highs.

Comments from the president of the Bundesbank, Hans Tietmeyer, who said he did not mind current rates, also lifted the dollar. "There is no special concern as far as inflation and exchange rates are concerned, though monetary authorities have to be vigilant," he said.

Weakness in Japan's finance industry is bad for the yen because it makes investors reluctant to hold Japanese financial assets.

"There's some concern that the package is not going to bring banks out of their slide fast enough — that it's going to be too conservative," said Ben Strauss, a currency trader at Bank Julius Baer.

In 4 P.M. trading, the dollar rose to 130.525 yen from 130.200 yen on Friday, 1.7897 DM from 1.7826 DM, 5.9885 French francs from 5.9653 francs and 1.4560 Swiss francs from 1.4400 francs. The pound was quoted at $1.6477, off from $1.6590.

The dollar also got a lift from speculation that Japanese officials would not act to keep the dollar from rising further. The deputy finance minister for international affairs, Eisuke Sakakibara, who last week bemoaned the yen's weakness, refrained from making yen-supporting comments Monday.

TRADE: *WTO Talks Advance*

Continued from Page 13

that "we have reached the point where the decisions on this deal will be mainly political," Mr. Lang is likely to press for better offers up until the last minute.

In June 1995, the United States rejected as inadequate the market-opening measures from other countries involved in the talks. Washington is expected to have the final word because the United States is the world's biggest financial-services market.

Brazil's offer included a key provision that would phase out over the next two years a state monopoly on its reinsurance market while improving foreign banks' access to its domestic markets.

The improved offers expected from Thailand and Indonesia, officials said, reflected the growing realization among East Asian nations hit by the current financial crisis that their best hopes of reconstructing their banking systems would lie in attracting foreign partners with fresh capital.

The Thai offer, for example, is expected to contain "grandfathering" clauses, meaning guarantees that will protect existing majority foreign ownership of financial institutions even if future laws might lower the limits on the stakes foreigners can possess.

Indonesia's new offer is also likely to protect foreign investors that own up to 100 percent of fund managers and insurance companies.

Among U.S. priorities at the WTO talks is a demand for Malaysia, which allows foreigners to own only 51 percent of insurance companies, to "grandfather" the rights of existing shareholders of 100 percent stakes.

This is widely believed to be an attempt to avoid forcing the divestiture of shareholdings by two U.S. groups — American International Group Inc. and Aetna Life & Casualty Co. — both of which have large 100 percent-owned Malaysian insurers.

Coke Forecast Leaves Stocks Flat

Compiled by Our Staff From Dispatches

NEW YORK — Stocks ended mixed Monday, with technology issues rising but blue-chip shares dragged down by worries about Coca-Cola's profit.

The Dow Jones industrial average closed down 38.29 points at 8,110.84, mostly because of a sharp drop in Coke's shares, which fell 2 9/16 to 63½.

Analysts at Morgan Stanley, Dean Witter, Discover & Co. and Salomon Smith Barney cut their earnings estimates for the soft-drink maker, citing slower sales in Asia. PepsiCo fell ⅞ to 36 7/16.

The comments shook investors' faith in other multinationals, causing them to move funds into smaller companies and technology stocks.

Boeing fell 15/16 to 51 7/16 after world's largest aircraft maker said the Asian financial crisis may delay the delivery of as many as 60 of its jetliners over the next three years because of slower growth in the airline traffic in the region.

"You're seeing a rotation from the more stable companies that have led the S&P to new highs to small and mid-cap stocks," said Bill O'Hearn, a money manager with McKinley Capital Management Inc.

Weakness in the Treasury bond market also kept a damper on stocks. The price of

U.S. STOCKS

the benchmark 30-year issue fell 22/32 point, to 99 29/32, taking the yield up to 6.13 percent from 6.08 percent Friday.

In the broader stock market, the Standard & Poor's 500 index fell 1.42 point to 982.37, but gaining issues outnumbering losing ones by a 5-to-4 ratio on the New York Stock Exchange.

The Nasdaq composite index closed up 17.64 points at 1,651.54, led by Intel, which rose 13/16 to 78⅜ after agreeing to take a stake in CMG Information Services, a marketing concern that invests in Internet companies. CMG rose 4½ to 28¾.

3Com rose 1 to 37 7/16 as the company and rival modem makers said they expected companies in the computer-networking industry to agree on a standard for 56-kilobit modems as early as next month. The company also benefited from a buy recommendation from J.P. Morgan Securities.

Compaq Computer was the most active issue on the Big Board, rising ¾ to 65½ after the company's chief financial officer said global demand for personal computers was not slowing down, even with the economic troubles in Asia. Dell Computer rose 2 3/16 to 95 15/16.

KLA-Tencor rose 15/16 to 41⅛. The board of the microchip assembly-equipment maker authorized the buyback of as many as 200,000 shares.

MicroProse fell 2⅜ to a 52-week low of 2 5/16 after the educational-software developer said it would post a loss in the quarter ending Dec. 28 because of a terminated plan to acquire GT Interactive Software. *(AP, Bloomberg)*

WEB: *Netscape-Microsoft Clash Over Browsers Limits User Access*

Continued from Page 13

Analysts estimate that only 20 percent of Navigator users pay for it. But having to load two browsers is inconvenient, inefficient and takes up space on a PC's hard disk that could be used for other programs.

Besides, few sites clearly inform users that they are best viewed in one browser or another. So Internet surfers are reduced to trial and error, switching browsers if there are problems.

"Using two browsers is an answer, but that is a lousy answer," Mr. Miller said.

The Microsoft-Netscape split, he and others say, is slowing the process by which the Web could become a richer, more interactive entertainment medium for the mass market. The slowdown results because Web developers delay adding cutting-edge technology to their sites until Microsoft and Netscape agree to make their browser technologies compatible, under pressure from users and the World Wide Web Consortium, the industry's standards-setting organization.

"Both companies are taking their own paths and only being compatible where necessary," said Patrick Naughton, chief technology officer of Starwave Corp. "It's not good for consumers."

Starwave is the new-media company that serves as the technological engine behind some of the Internet's popular Web sites, such as ESPN Sportszone.

The Microsoft-Netscape split on browser technology, Mr. Naughton said, tends to freeze the flow of new features into those sites because Starwave does not want to discriminate against the users of one browser or another.

Where Microsoft and Netscape diverge is on seemingly arcane programming protocols such as enhancements to the Web's basic hypertext markup language (html), which controls the way information is organized and displayed, or the technical ground rules for handling Java, the Internet programming language created by Sun Microsystems Inc.

• *Recent technology articles: www.iht.com/IHT/TECH/*

AMEX

Monday's 4 P.M. Close
The 300 most traded stocks of the day, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
AMC	193	22	21½	21½	-½
ARC	247	6⅛	6	6⅛	—
ARM Fn a	2250	24⅜	22⅝	24⅜	+1⅝
AdvMag	303	9⅛	9⅛	9⅛	-⅛
AdvPhot	123	1⅝	1½	1⅝	-⅛
AegisRlt n	410	11⅝	11⅛	11⅛	-⅛
AirWat	911	1⅞	1¾	1¾	-⅛
Alpharm	402	18⅛	17⅞	17⅞	+⅛
AllLiving	226	25⅜	25⅛	25⅜	+⅛
AIM 84	236	3⅞	3⅝	3⅝	-⅛
AmerPac	251	2⅜	2	2⅜	+⅜
ATechC	239	16⅜	16⅛	16⅜	+½
Ampex	1315	2⅞	2⅝	2⅞	-⅛
Andec	3655	1⅞	1	1⅞	+⅞
AndreaE s	3461	21⅜	19	21⅞	+2⅜
AngPer	281	5⅛	4⅞	4⅞	+⅛
ApexSilv n	353	11⅛	11⅛	11⅛	-⅛
Apogea	251	2⅛	1⅞	2	—
AppleOrl n	647	11	10⅛	10⅞	-⅛
Arrowff	150	11⅛	10⅞	11⅛	+⅛
AstLvng s	1137	17⅜	17⅛	17⅜	+½
AudioBC a	655	6⅛	5⅞	6⅛	+⅛
Audvox	709	8⅛	8⅛	8⅛	+⅛
AuroEl	384	1⅛	1⅛	1⅛	+⅛
Autotote	546	2⅞	2⅛	2⅛	-⅛
Azco	1448	1⅞	1⅞	1⅛	—
B&HO	198	6⅛	6⅛	6⅛	+⅛
BAT Ind	397	18⅛	18⅛	18⅛	-⅛
BarrLab s	147	36⅛	35⅞	36	-⅛
BayouD s	2710	20⅛	19⅞	20⅛	+⅛
Bayou	836	4⅛	3⅞	4⅛	+⅛
BemaGold	3633	2⅛	1⅞	2	-⅛
Bib n	288	6⅛	6⅛	6⅛	-⅛
BioRCp	259	18	17⅛	18	—
Blessings	125	14⅛	14⅛	14⅛	+⅛
BogenC	496	7	6⅞	6⅞	-⅛
Bogen wt	391	2	1⅞	1⅞	-⅛
Bowmr	210	2⅛	2	2	-⅛
Bowne	570	40⅞	39⅞	40⅛	+⅛
BrillDig	2753	5⅛	5	5⅛	+⅛
B&BGm n	132	8⅛	8	8⅛	-⅛
CE Fnkg	314	10⅛	9⅞	9⅞	-⅛
CFX Cp	261	28⅛	28⅛	28⅛	-⅛
Cablvsn	494	[illegible]	[illegible]	[illegible]	[illegible]

Stock	Sales	High	Low	Latest	Chge
GlobIll	529	18⅛	18⅛	18⅛	-⅛
GlobSol	239	13⅛	13⅛	13⅛	-⅛
GlobInk	483	2⅛	2⅛	2⅛	-⅛
GoVideo	300	2⅞	2⅛	2⅞	+⅛
GldStarR	2160	2⅛	2⅛	2⅛	-⅛
GldFld	192	⅛	⅛	⅛	—
GolfTrst n	343	28⅞	28⅛	28⅛	-⅛
GreyWolf	8889	7⅛	6⅞	7⅛	+⅛
GreyhndL	2841	3⅞	3⅛	3⅞	+⅛
GrubSloan	134	2⅛	1⅞	2	-⅛
GrowPrp	688	10⅛	10⅛	10⅛	-⅛
Halsey	817	1⅛	1⅛	1⅛	—
HalwdM s	2857	31	28⅞	31	+2⅜
HangOr	220	12⅜	12⅛	12⅛	+⅛
HanovC wt	230	17	16⅞	16⅞	-⅛
HanvDir	974	2⅞	2⅛	2⅞	-⅛
Harken	3016	5⅞	5⅛	5⅞	+⅛
Hasbro s	5719	30⅛	29⅞	29⅞	+⅛
HlthCh	140	½	½	½	-⅛
HlthPro	370	⅞	⅛	⅞	+⅞
Hemx	3272	1⅞	1⅛	1⅞	—
HmWr	258	8⅞	7⅞	8⅛	+⅛
Hemlagx	287	4⅞	4⅛	4⅞	-⅛
HouseVII	227	16⅛	16⅛	16⅛	+⅛
HouseHl s	208	14⅛	14	14⅛	-⅛
HlsPlaza	181	12⅛	11½	11½	-⅛
HoughWnde	750	11⅞	11½	11⅞	+⅛
HouFdg	159	8⅛	8⅛	8⅛	+⅛
HomEn	407	7⅛	7⅛	7⅛	-⅛
I&H Chl	259	18⅛	17⅞	18	-⅛
Idealtc	1612	11⅞	11½	11⅞	+⅛
ImpCM s	978	17⅜	16⅞	17⅛	-⅛
ImpHly	235	10⅞	10⅛	10⅛	-⅛
ImpOil g	417	61⅞	60⅞	61⅛	+⅛
Inslmp	191	17	16⅛	16⅛	-⅛
IntegTc	673	1⅜	1⅛	1⅛	-⅛
IntegTc wt	130	⅞	⅛	⅛	-⅛
[illegible]	145	[illegible]	[illegible]	[illegible]	[illegible]
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IvaxDg	426	20⅞	19⅞	20⅛	-⅛
IonLaser	650	3	2⅞	3	-⅛
IvaxCp	2903	7⅞	7	7⅞	+⅛
JTS Corp	4347	⅛	⅛	⅛	-⅛
JW Char s	142	13⅛	13⅛	13⅛	-⅛
JanBell	484	2⅞	2⅛	2⅞	—
KBK Cap	178	10⅛	10	10⅛	+⅛
KFX Inc	156	3⅞	3⅛	3⅞	—
Kafus gn	158	4⅛	4⅛	4⅛	+⅛
Keane	4467	35⅞	33⅞	35⅞	+2⅛
KeyEng	2021	27⅛	26⅛	26⅞	-⅛
[illegible]	[illegible]	[illegible]	[illegible]	28⅛	-⅛

Stock	Sales	High	Low	Latest	Chge
RivieraT a	261	11⅛	10⅞	10⅞	-⅛
RobertsPh	582	10	9⅝	9⅝	—
RoyalO g	11553	1⅞	1⅝	1⅝	+⅛
SaboPet	1854	9⅛	9	9⅛	-⅛
SFeGam	185	⅞	⅞	⅞	-⅛
Sacmce n	251	9⅛	8⅞	9	-⅛
Salicom	230	10⅛	9⅞	9⅞	-⅛
SeniorT n	221	2	1⅞	1⅞	+⅛
ShelbPtw	153	1⅞	1⅝	1⅞	-⅛
SmthTech	176	5⅛	4⅞	5⅛	-⅛
SilverFds	320	⅛	⅛	⅛	-⅛
SmthBla	136	10⅝	10⅛	10⅛	—
scSolfgen	123	⅞	⅞	⅞	—
SCEcM	198	26⅝	26	26⅛	+⅛
SpaBalT	275	1⅝	1⅛	1⅛	+⅛
Stoops	275	2	1⅞	2	+⅛
SPDR	22761	99	98⅛	98⅞	-⅛
SP Mid	837	65⅞	65⅛	65⅞	+⅛
StarrCp	143	12⅛	12⅛	12⅛	+⅛
SterlElA	713	1⅛	1⅛	1⅛	+⅛
StlhdWA	183	18⅛	18⅛	18⅛	-⅛
StrpCap	713	6⅛	5⅞	6	-⅛
SulCus	194	2⅞	2⅞	2⅞	-⅛
SunMtr	159	⅞	⅞	⅞	+⅛
SwatyC	284	7	6⅞	6⅞	-⅛
Sybron	288	33⅞	33⅛	33⅞	—
TDS Ca pf	258	26	25⅞	25⅞	+⅛
TelDta	809	46⅛	45⅞	45⅞	-⅛
Tenera	249	⅞	⅞	⅞	+⅛
TexBiotch	826	5⅞	5⅛	5⅞	-⅛
Thermed	470	17⅛	16⅞	17	-⅛
ThCardio	759	24⅞	23⅞	24⅞	+⅛
ThmoEco	327	15⅛	15⅛	15⅛	+⅛
ThrmFib	291	13	12⅞	12⅞	+⅛
Thrmol s	445	32⅞	32⅛	32⅞	-⅛

Stock	Sales	High	Low	Latest	Chge
ThermoOp	195	10⅛	10⅛	10⅛	-⅛
ThrmVoltl	227	6⅛	6⅛	6⅛	+⅛
Thrmtrex	498	13⅞	13	13⅛	+⅛
Thrmtx	379	24⅛	23⅞	24	-⅛
TopSrce	1348	1⅞	1⅞	1⅞	-⅛
Total	122	⅞	⅞	⅞	—
TWA wt	1484	7⅞	6⅞	7⅛	+1⅛
TWA	37700	11⅞	10⅞	11⅛	+⅛
Transwrd	311	15⅞	15⅛	15⅛	-⅛
TriniMed	136	15⅞	14⅞	14⅞	-⅛
TubMex	1745	21⅞	21⅛	21⅞	+⅛
USFGP	274	18⅛	18	18⅛	+⅛
UTI Eng s	2294	33⅛	32	33⅛	+⅛
Unifab	742	1⅛	1⅛	1⅛	-⅛
Unimar	756	2⅛	2⅛	2	—
UnvgAM	671	9⅛	8⅞	9⅛	+⅛
USBiosci	1353	9⅛	9⅛	9⅛	-⅛
US Cell	219	33⅛	33⅛	33⅛	—
ValiAdl	165	7	6⅞	6⅞	-⅛
VKSelS	130	12⅛	12⅛	12⅛	-⅛
Viacom	691	34⅛	33⅞	34⅛	-⅛
ViacB	7608	34⅛	33⅞	34⅛	-⅛
Viac wtE	537	⅛	⅛	⅛	—
Victon	133	7⅛	6⅞	7⅛	—
VistaG g	2582	⅛	⅛	⅛	-⅛
VoyAZ	115	13⅞	13⅛	13⅞	—
WRIT	662	16⅛	16⅛	16⅛	—
Westbrg n	128	15⅛	15⅛	15⅛	-⅛
WIPET	475	13⅛	13⅛	13⅛	—
Westown g	499	13⅛	12⅞	13⅛	—
WirelessT	544	7⅛	6⅞	7⅛	-⅛
WEB HK	657	12⅛	12⅛	12⅛	—
WEB Jpn	930	10⅛	10⅛	10⅛	-⅛
WEB Mal	2465	6⅛	6	6⅛	-⅛
WEB Sing	493	8⅛	8	8⅛	-⅛
XCL Ltd	8671	⅛	⅛	⅛	—

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Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U.S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	8156.34	8158.08	8083.73	8110.84	-38.29
Trans	3318.28	3372.39	3312.86	3352.43	+36.49
Util	258.56	259.27	258.07	258.97	+0.08
Comp	2642.45	2651.43	2636.09	2643.37	+2.23

Standard & Poors

	High	Low	Previous Close	Today 3:00
Industrials	—	—	1140.07	1137.70
Transp.	—	—	697.94	705.64
Utilities	—	—	220.00	219.77
Finance	—	—	120.78	120.83
SP 500	—	—	983.79	982.37
SP 100	—	—	473.53	472.49

NYSE

	High	Low	Last	Chg.
Composite	515.07	512.22	513.44	-0.87
Industrials	638.26	634.70	636.38	-1.86
Transp.	476.32	470.75	475.96	+4.76
Utility	322.51	321.10	321.57	-0.53
Finance	500.93	499.13	500.42	+0.68

Nasdaq

	High	Low	Last	Chg.
Composite	1652.65	1639.00	1651.54	+17.64
Industrials	1273.90	1265.91	1272.88	+9.46
Banks	2870.03	2847.29	2866.61	+19.86
Insurance	1819.86	1796.19	1818.54	+20.94
Finance	2453.89	2432.60	2449.68	+15.82
Transp.	1083.89	1068.47	1083.26	+10.64

AMEX

High	Low	Last	Chg.
673.50	670.14	673.49	+3.22

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	104.87	104.86
10 Utilities	102.55	102.49
10 Industrials	107.18	108.03

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	79879	66⅛	64⅞	65½	+¾
Cabltrn	53400	15⅞	15⅛	15⅝	+⅛
PepsiCo	49281	37⅛	35⅞	36 7/16	-⅞
CocaCl	48410	65¾	63	63½	-2 9/16
Tarinsl s	42356	48⅝	46⅞	47⅛	+1⅛
Boeing s	47795	52⅝	51⅛	51 7/16	-15/16
Unisys	41049	15⅞	14⅞	15⅝	+⅛
Gate2000 s	39621	32⅞	27¾	32½	+[illegible]
MercFn	38580	[illegible]	[illegible]	[illegible]	[illegible]
Iomega	34733	31¾	29⅜	30⅛	[illegible]
NamsBk s	32707	62	61⅞	[illegible]	[illegible]
AmStor s	32436	21¾	20⅛	20⅞	[illegible]
Conseco s	31509	45⅞	43⅝	44⅛	[illegible]
BayNtwk	31194	30⅞	29⅝	30	[illegible]
Exxon s	30968	64⅜	62⅝	63⅛	[illegible]

Nasdaq

	Vol.	High	Low	Last	Chg.
AppldMat s	116025	35⅛	33⅞	35⅛	[illegible]
Intel s	100100	79⅞	77⅞	78⅜	+13/16
3Com	91208	38	36⅝	37 7/16	+1
Oracle s	81998	32⅛	31⅛	32⅛	[illegible]
DellCpt s	76982	96⅞	93⅞	95 15/16	+2 3/16
Quantum s	71146	27⅛	25⅛	26⅝	[illegible]
Ascend	67124	30⅝	28⅝	29⅞	[illegible]
Microsft	62169	146⅛	143⅞	146½	[illegible]
KLA Tenc	56653	44⅛	39⅞	41⅛	+15/16
NextelCm	46713	25⅝	22½	24⅛	[illegible]
Cisco	45899	90	88⅞	89¾	[illegible]
SunMic	42999	41⅛	40	40⅜	[illegible]
TelTCIA n	41180	25⅜	24⅝	24⅞	[illegible]
TelephC	39830	55⅛	53	55⅛	[illegible]
MicPrse	37939	3⅛	2⅛	2 5/16	-2⅜

AMEX

	Vol.	High	Low	Last	Chg.
TWA	37700	11⅞	10⅞	11⅛	+⅛
SPDR	22761	99	98⅛	98⅞	-⅛
EchoBay	13905	2⅛	2	2⅛	[illegible]
RoyalO g	11553	1⅞	1⅝	1⅝	+⅛
FAusPr	9740	7¾	7⅛	7⅝	[illegible]
GreyWolf	8889	7⅛	6⅞	7⅛	+⅛
XCL Ltd	8671	⅛	⅛	⅛	—
ViacB	7608	34⅛	33⅞	34⅛	-⅛
PegGld	7545	⅞	[illegible]	[illegible]	[illegible]
Nabors	6828	39½	38	39⅛	+1⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1622	1732
Declined	1357	1190
Unchanged	512	518
Total issues	3491	3440
New Highs	232	184
New Lows	25	44

Nasdaq diary not available at press time

AMEX

	Close	Prev.
Advanced	300	299
Declined	308	270
Unchanged	170	187
Total issues	778	756
New Highs	30	30
New Lows	19	14

Market Sales

	Today 4:00	Prev. cons.
NYSE	494.42	671.94
Amex	25.27	38.83
Nasdaq	584.09	663.22

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Carlton Commun	b	.7828	3-20	4-13
Driefontein Consl	b	.06	12-31	2-11
Euro Warrant Fd	-	6.65	12-15	12-30
Fidelity Asset Mgr	-	.39	12-5	12-8
Fidel Canada	-	2.13	12-5	12-8
Fidel Cap Apprec	-	2.93	12-5	12-8
Fidel Discplnd Eq	-	3.55	12-5	12-8
Fidel Diver Intl	-	.60	12-5	12-8
Fidel Europe	-	2.74	12-5	12-8
Fid HK China	-	.05	12-5	12-8
Fidel Intl Gr&Inco	-	1.25	12-5	12-8
Fidel Japan	-	.18	12-5	12-8
Fidel LrgCap Stk	-	.62	12-5	12-8
Fidel LatAmer	-	.20	12-5	12-8
Fidel Magellan	-	4.25	12-5	12-8
Fidel MdCap Stk	-	1.05	12-5	12-8
Fidel Overseas	-	1.68	12-5	12-8
Fidel PapForest	-	1.56	12-5	12-8
Fidel Regnl Bks	-	1.34	12-5	12-8
Fidel Retailing	-	.16	12-5	12-8
Fidel Software	-	4.15	12-5	12-8
Fidel Technology	-	8.53	12-5	12-8
Fidel Telecomm	-	5.40	12-5	12-8
Fidel Transport	-	2.41	12-5	12-8
Fidel SmllCpStk	-	.97	12-5	12-8
Fidel Sprt Hi Inco	-	.18	12-5	12-8
Fidel Stk Select	-	3.65	12-5	12-8
Fidel Value Fd	-	8.43	12-5	12-8
NY TxEx Inco	-	.1618	12-15	12-31
Prudntl Bal A	-	1.74	12-10	12-15
Prudntl Bal B	-	1.72	12-10	12-15
Prudntl Eq Inco A	-	2.01	12-10	12-15
Prudntl Eq Inco B	c	1.97	12-10	12-15
c- also payable on class C.				
Seligman Qlty	-	.0782	12-15	12-26
Seligman Selec	-	.181	12-15	12-26
UNR Indust	-	.10	12-15	12-29
STOCK SPLIT				
Am Eagle 3 for 2 split.				
Outdoor Systems 3 for 2 split.				
Smithfield Cos 2 for 1 split.				
INCREASED				
Beverly Bancorp	Q	.09	1-2	1-15
Centerpoint Prop	q	.4375	2-5	2-24
OMITTED				
Ookiep Copper				
SPECIAL				
Australia Central	d	.10	1-23	-
d- Australian cents.				
Enex Resources	-	.10	12-15	12-2
REGULAR				
GPU Inc	Q	.50	1-30	2-25
NCH Corp	Q	.35	12-1	12-15
ONBANCorp	Q	.34	12-19	1-2
One Liberty Prop	Q	.30	12-22	1-5
Pan Pac Petrol	Q	.3625	12-29	1-19
Piedmont Nat Gas	Q	.305	12-23	1-15
Storage USA	Q	.60	12-12	12-29
Weston, Geo q	Q	.25	12-15	1-1

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

U.S. Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y - ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Dec. 8, 1997

	High	Low	Latest	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	273½	269	273¾	+4¾	21,216
Mar 98	284½	279	284	+4½	185,453
May 98	291¼	286	291	+4½	44,274
Jul 98	295	291	294½	+4	54,839
Sep 98	288¼	285½	287½	+2	5,294
Dec 98	288¼	285½	288	+2½	31,786
Jul 99	301	299	300½	+3	274
Est. sales 55,000 Fri's sales 58,268					
Fri's open int 344,565, off 979					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Dec 97	234.20	231.70	233.40	+1.90	11,365
Jan 98	226.50	224.50	226.40	+2.40	28,444
Mar 98	221.00	218.50	220.60	+2.90	34,294
May 98	218.00	216.00	217.60	+2.70	21,150
Jul 98	217.80	215.50	217.50	+2.80	15,233
Aug 98	218.00	215.80	218.00	+3.80	4,068
Est. sales 16,000 Fri's sales 20,724					
Fri's open int 121,459, up 259					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Dec 97	24.80	24.44	24.55	-0.13	3,671
Jan 98	25.08	24.65	24.75	-0.17	44,472
Mar 98	25.40	25.04	25.16	-0.14	32,974
May 98	25.55	25.25	25.44	-0.13	13,877
Jul 98	25.68	25.45	25.58	-0.10	11,644
Aug 98	25.60	25.45	25.52	-0.08	2,596
Est. sales 25,000 Fri's sales 23,498					
Fri's open int 111,433, off 1,198					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Jan 98	711½	703¼	710	+6¼	66,652
Mar 98	714½	706¼	713	+6½	30,726
May 98	719	712	718	+7¼	21,503
Jul 98	721	714½	720¼	+8¼	22,998
Aug 98	716	712	716	+8	2,344
Est. sales 40,000 Fri's sales 58,343					
Fri's open int 153,697, up 2,904					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	347½	345½	346¾	+2¼	1,676
Mar 98	363½	359¼	362½	+2	55,547
May 98	371	368	369¼	+2	11,222
Jul 98	374½	371½	374¼	+2¼	18,539
Est. sales 10,000 Fri's sales 19,804					
Fri's open int 90,841, up 734					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Dec 97	67.22	66.85	66.90	-0.52	12,443
Feb 98	68.30	67.65	67.72	-0.77	48,809
Apr 98	71.35	71.05	71.10	-0.52	22,226
Jun 98	69.85	69.60	69.75	-0.12	13,144
Aug 98	70.77	70.35	70.75	+0.12	5,240
Oct 98	72.80	72.45	72.67	+0.27	1,322
Est. sales 12,970 Fri's sales 12,979					
Fri's open int 103,303, off 2,171					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 98	80.30	79.82	80.07	-0.25	8,249
Mar 98	80.70	80.05	80.17	-0.55	3,913
Apr 98	80.95	80.37	80.55	-0.37	1,440
May 98	81.45	81.17	81.35	-0.25	1,341
Aug 98	83.00	82.75	82.95	-0.15	701
Sep 98			82.90	-0.15	149
Est. sales 2,013 Fri's sales 2,830					
Fri's open int 15,863					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Dec 97	62.77	62.20	62.42	-0.57	7,446
Feb 98	60.60	59.92	60.22	-0.37	19,858
Apr 98	57.35	57.07	57.25	-0.20	7,774
Jun 98	65.30	65.12	65.25	-0.05	4,177
Jul 98	64.30	64.05	64.07	-0.22	1,319
Est. sales 5,456 Fri's sales 6,238					
Fri's open int 41,445, off 406					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 98	58.10	56.30	56.45	-2.85	6,550
Mar 98	57.50	54.80	55.07	-2.62	1,110
May 98	58.90	56.00	56.18	-2.90	1,017
Est. sales 2,722 Fri's sales 1,409					
Fri's open int 9,189, up 149					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Dec 97	1600	1590	1602	+21	137
Mar 98	1630	1612	1629	+27	49,091
May 98	1656	1638	1655	+27	18,797
Jul 98	1675	1664	1675	+27	4,701
Sep 98	1694	1682	1694	+27	5,656
Dec 98	1721	1703	1721	+33	9,143
Est. sales 7,735 Fri's sales 6,191					
Fri's open int 98,775, off 63					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Dec 97	180.00	173.00	178.00	-0.95	902
Mar 98	174.90	169.50	174.35	-0.65	16,879
May 98	166.50	162.75	166.25	+1.30	5,247
Jul 98	157.75	155.50	157.75	+1.20	2,629
Sep 98	150.50	148.00	150.50	+1.50	1,199
Est. sales 4,981 Fri's sales 8,267					
Fri's open int 27,962, up 1,012					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 98	12.48	12.35	12.35	-0.09	114,725
May 98	12.35	12.25	12.25	-0.08	31,846
Jul 98	11.96	11.87	11.87	-0.08	27,352
Oct 98	11.73	11.66	11.66	-0.06	24,531
Est. sales 15,784 Fri's sales 11,987					
Fri's open int 206,884, up 1,732					

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jan 98	80.50	78.60	79.75	-0.75	21,814
Mar 98	83.70	81.90	82.90	-0.80	15,520
May 98	86.75	85.10	86.20	-0.60	3,476
Jul 98	89.20	89.00	89.20	-0.60	1,922
Est. sales N.A. Fri's sales 2,726					
Fri's open int 45,289, off 240					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Dec 97	288.60	287.50	287.90	-0.50	978
Jan 98			288.70	-0.50	8
Feb 98	291.50	289.40	290.00	-0.50	113,126
Apr 98	293.00	291.40	291.80	-0.50	11,874
Jun 98	294.90	293.40	293.90	-0.50	11,518
Aug 98	296.50	296.00	296.00	-0.50	4,599
Oct 98			298.10	-0.50	2,046
Dec 98	301.50	300.00	300.40	-0.50	13,578
Est. sales N.A. Fri's sales 28,469					
Fri's open int 198,184, off 1,161					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Dec 97	81.40	79.60	80.85	+1.25	2,071
Jan 98	81.50	80.55	81.50	+1.30	2,792
Feb 98	82.20	81.75	82.15	+1.35	1,787
Mar 98	82.95	81.30	82.50	+1.30	32,836
Apr 98	83.05	82.60	83.05	+1.35	1,450
May 98	83.90	82.50	83.40	+1.30	4,719
Jun 98	83.75	83.75	83.75	+1.35	1,562
Jul 98	84.50	83.30	84.00	+1.30	3,546
Est. sales N.A. Fri's sales 7,859					
Fri's open int 64,733, up 799					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Dec 97	538.50	532.00	533.50	-3.00	1,147
Jan 98			535.30	-3.10	36
Feb 98			537.50	-3.20	
Mar 98	546.00	536.50	539.50	-3.30	65,778
May 98	546.00	538.50	541.00	-3.60	6,293
Jul 98	547.00	539.00	541.80	-4.00	5,225
Sep 98			542.90	-4.60	807
Dec 98	550.00	544.00	544.00	-5.30	5,670
Est. sales 18,000 Fri's sales 20,091					
Fri's open int 90,160, up 2,104					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 98	380.90	376.00	376.70	-4.30	10,806
Apr 98	377.00	373.00	373.20	-4.30	2,870
Jul 98	374.00	370.20	370.20	-4.30	119
Est. sales N.A. Fri's sales 1,155					
Fri's open int 13,795, up 201					

LONDON METALS (LME)	Close		Previous	
Dollars per metric ton				
Aluminum (High Grade)				
Spot	1548½	1549½	1583.00	1584.00
Forward	1568½	1569.00	1604.00	1605.00
Copper Cathodes (High Grade)				
Spot	1768.00	1770.00	1853.00	1854.00
Forward	1779.00	1801.00	1879.00	1880.00
Lead				
Spot	514½	515½	532.00	533.00
Forward	537.00	532½	548.00	549.00
Nickel				
Spot	5935.00	5945.00	6090.00	6100.00
Forward	6030.00	6035.00	6180.00	6185.00
Tin				
Spot	5730.00	5740.00	5810.00	5830.00
Forward	5570.00	5575.00	5725.00	5745.00
Zinc (Special High Grade)				
Spot	1093.00	1094.00	1140.00	1141.00
Forward	1116.00	1118.00	1163.00	1164.00

Financial	High	Low	Close	Chge	Opint
US T BILLS (CMER) $1 million- pts of 100 pct.					
Mar 98	94.96	94.92	94.93	-0.05	6,323
Jun 98	94.96	94.91	94.91	-0.04	926
Sep 98			94.96	unch.	23
Est. sales 775 Fri's sales 754					
Fri's open int 11,327, off 244					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Dec 97	107-60	107-46	107-46	-14	66,803
Est. sales 31,120 Fri's sales 225,617					
Fri's open int 275,370, up 25,309					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 97	111-13	111-01	111-01	-12	99,070
Mar 98	111-04	110-24	110-25	-11	285,860
Jun 98	110-30	110-23	110-23	-10	920
Est. sales 77,777 Fri's sales 314,951					
Fri's open int 385,850, off 9,406					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Dec 97	119-00	118-04	118-05	-24	121,221
Mar 98	118-26	117-30	117-31	-24	588,347
Jun 98	118-17	117-21	117-21	-24	17,987
Sep 98			117-13	-24	4,227
Est. sales 360,000 Fri's sales 901,652					
Fri's open int 736,573, up 23,212					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Dec 97	119-07	118-30	119-07	+0-15	34,727
Mar 98	119-28	119-14	119-26	+0-15	169,327
Jun 98	N.T	N.T.	104-04	+0-15	1,098
Est. sales: 31,736. Prev. sales: 102,696					
Prev. open int.: 205,147 up 885					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar 98	103.95	103.44	103.93	+0.46	259,675
Jun 98	N.T.	N.T	103.24	+0.46	48
Est sales: 91,962. Prev. sales: 214,649					
Prev. open int.: 269,357 up 137					

	High	Low	Latest	Chge	Opint
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Dec 97	100.82	100.48	100.74	+0.32	77,470
Mar 98	100.36	100.00	100.32	+0.36	60,164
Jun 98	99.42	99.42	99.74	+0.36	12
Est. sales: 182,121.					
Open Int.: 137,646 off 712.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar 98	115.00	114.40	114.96	+0.49	114,479
Jun 98	N.T.	N.T.	114.51	+0.49	42
Est. sales: 14,079. Prev. sales: 50,947					
Prev. open int.: 114,521 off 1,692					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Dec 97	94.02	94.00	94.01	-0.02	21,769
Jan 98	94.23	94.22	94.23	-0.01	11,336
Feb 98	94.20	94.17	94.18	-0.03	4,733
Est. sales 3,055 Fri's sales 10,757					
Fri's open int 41,948, up 852					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Dec 97	94.08	94.05	94.06	-0.02	393,786
Feb 98	94.10	94.07	94.07	-0.04	2,304
Mar 98	94.07	94.03	94.04	-0.03	477,342
Jun 98	94.04	93.99	93.99	-0.05	392,000
Sep 98	94.01	93.93	93.94	-0.07	280,679
Dec 98	93.93	93.87	93.88	-0.06	217,796
Mar 99	93.93	93.87	93.88	-0.06	159,729
Jun 99	93.89	93.84	93.85	-0.05	132,630
Sep 99	93.86	93.81	93.82	-0.05	98,498
Dec 99	93.80	93.75	93.76	-0.05	94,794
Est. sales 379,688 Fri's sales 994,157					
Fri's open int 2,835,227, up 45,743					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Dec 97	1.6578	1.6430	1.6452	-.0102	40,295
Mar 98	1.6484	1.6354	1.6384	-.0100	10,499
Jun 98	1.6362	1.6362	1.6316	-0.0098	1,256
Est. sales 18,890 Fri's sales 29,751					
Fri's open int 52,051, off 2,822					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Dec 97	.7043	.7026	.7041	+0.0011	47,456
Mar 98	.7072	.7055	.7069	+0.0011	31,007
Jun 98	.7098	.7085	.7092	+0.0011	1,752
Est. sales 26,836 Fri's sales 32,062					
Fri's open int 81,451, up 6,859					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Dec 97	.5617	.5585	.5591	-0.0022	72,208
Mar 98	.5644	.5615	.5620	-0.0023	21,154
Jun 98	.5660	.5645	.5648	-0.0022	4,129
Est. sales 34,771 Fri's sales 48,704					
Fri's open int 97,600, up 14,994					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Dec 97	.7732	.7652	.7670	-0.0019	113,806
Mar 98	.7838	.7756	.7774	-0.0020	29,098
Jun 98	.7862	.7875	.7882	-0.0021	1,595
Est. sales 64,089 Fri's sales 48,751					
Fri's open int 145,717, up 7,495					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Dec 97	.6934	.6853	.6864	-0.0083	38,542
Mar 98	.7003	.6925	.6936	-0.0084	11,696
Jun 98	.7056	.7005	.7005	-0.0085	1,293
Est. sales 21,314 Fri's sales 28,087					
Fri's open int 51,642, up 2,797					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Dec 97	.12310	.12282	.12310	+.00298	12,587
Mar 98	.11900	.11870	.11895	+.00262	11,662
Jun 98	.11525	.11505	.11515	+.00106	2,946
Est. sales 3,736 Fri's sales 12,694					
Fri's open int 31,545, off 1,393					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Dec 97	92.32	92.29	92.30	+0.01	152,161
Mar 98	92.28	92.24	92.26	+0.01	126,894
Jun 98	92.36	92.31	92.35	+0.04	106,020
Sep 98	92.47	92.42	92.46	+0.04	81,563
Dec 98	92.64	92.60	92.62	+0.03	75,901
Mar 99	92.83	92.80	92.82	+0.03	63,923
Est. sales: 81,153. Prev. sales: 68,240					
Prev. open int.: 800,923 off 617					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Dec 97	96.24	96.22	96.23	+0.01	258,786
Jan 98	96.23	96.23	96.23	Unch.	12,196
Feb 98	N.T.	N.T.	96.14	Unch.	750
Mar 98	96.09	96.07	96.09	+0.01	330,280
Jun 98	95.88	95.86	95.88	+0.01	311,670
Sep 98	95.71	95.68	95.71	+0.02	230,396
Dec 98	95.50	95.46	95.50	+0.02	198,314
Mar 99	95.33	95.30	95.33	+0.02	237,800
Jun 99	95.16	95.13	95.16	+0.02	107,764
Est. sales: 99,431. Prev. sales: 269,499					
Prev. open int.: 1,951,268 up 25,833					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Dec 97	96.30	96.30	96.30	Unch.	47,726
Mar 98	96.09	96.07	96.07	Unch.	68,932
Jun 98	95.87	95.85	95.85	Unch.	35,096
Sep 98	95.69	95.67	95.68	+0.01	28,139
Dec 98	95.52	95.50	95.51	+0.03	25,072
Mar 99	95.35	95.33	95.34	+0.02	40,923
Jun 99	95.19	95.16	95.17	+0.02	13,758
Sep 99	95.04	95.02	95.02	+0.01	7,814
Est. sales: 19,511.					
Open int.: 283,227 up 1,522.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Dec 97	93.97	93.94	93.96	Unch.	100,516
Mar 98	94.73	94.70	94.73	+0.01	127,638
Jun 98	95.29	95.25	95.28	+0.02	128,534
Sep 98	95.45	95.40	95.44	+0.02	76,178
Dec 98	95.38	95.34	95.38	+0.03	59,892
Mar 99	95.24	95.21	95.24	+0.01	82,919
Est. sales: 20,336. Prev. sales: 66,037					
Prev. open int.: 602,991 up 3,028					

	High	Low	Latest	Chge	Opint
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Dec 97	68.00	66.50	67.07	+0.21	175
Mar 98	69.00	68.37	68.47	-0.36	43,425
May 98	70.31	69.75	69.80	-0.45	14,401
Jul 98	71.50	71.07	71.10	-0.34	15,146
Oct 98	73.30	73.13	73.28	-0.17	1,336
Est. sales N.A. Fri's sales 6,946					
Fri's open int 84,164, off 181					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Jan 98	54.20	53.45	53.60	-4.40	54,229
Feb 98	54.50	53.95	54.15	-4.35	30,291
Mar 98	54.50	54.00	54.05	-4.60	16,903
Apr 98	53.80	53.35	53.35	-4.65	8,413
May 98	53.00	52.65	52.65	-3.85	6,553
Jun 98	52.70	52.45	52.60	+0.39	6,698
Jul 98	52.75	52.60	52.65	-0.50	3,673
Est. sales N.A. Fri's sales 25,805					
Fri's open int 140,338, up 1,574					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Jan 98	19.07	18.75	18.84	+0.13	102,598
Feb 98	19.28	19.02	19.09	+0.11	70,332
Mar 98	19.39	19.19	19.23	+0.10	35,976
Apr 98	19.41	19.30	19.34	+0.10	22,960
May 98	19.48	19.35	19.43	+0.10	22,776
Jun 98	19.60	19.40	19.47	+0.10	33,618
Est. sales N.A. Fri's sales 90,841					
Fri's open int 435,276, up 3,691					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Jan 98	2.450	2.360	2.415	-0.038	46,287
Feb 98	2.399	2.325	2.390	-0.009	28,091
Mar 98	2.315	2.255	2.310	+0.008	20,765
Apr 98	2.225	2.160	2.205	+0.013	11,462
May 98	2.210	2.170	2.200	+0.018	9,499
Jun 98	2.210	2.160	2.185	+0.003	8,409
Est. sales N.A. Fri's sales 41,692					
Fri's open int 208,808, off 766					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Jan 98	57.35	56.75	56.96	-2.24	33,281
Feb 98	57.50	57.05	57.26	-2.04	19,268
Mar 98	57.75	57.45	57.57	-2.03	11,310
Apr 98	60.30	60.10	60.12	+0.22	8,875
May 98	60.05	59.85	59.92	-2.58	8,930
Jun 98	59.70	59.37	59.37	-0.33	6,569
Jul 98			58.57	+0.16	4,601
Aug 98			57.62	+0.16	1,785
Est. sales N.A. Fri's sales 31,138					
Fri's open int 98,191, up 1,804					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Dec 97	166.25	165.25	165.25	+0.50	12,703
Jan 98	168.00	164.25	164.50	+0.25	27,095
Feb 98	167.25	164.25	164.25	+0.25	15,726
Mar 98	166.75	164.00	164.00	+0.75	11,418
Apr 98	166.00	165.25	165.25	+0.75	4,586
May 98	165.50	165.50	164.75	+0.75	2,786
Jun 98	165.25	164.75	164.50	+0.75	10,899
Est. sales: 13,266. Prev. sales: 12,735					
Prev. open int.: 99,683 off 665					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Jan 98	18.34	18.14	18.15	+0.02	49,173
Feb 98	18.34	18.19	18.21	+0.03	66,677
Mar 98	18.31	18.18	18.19	+0.03	22,655
Apr 98	18.32	18.18	18.20	+0.03	13,811
May 98	18.24	18.18	18.19	+0.02	10,397
Jun 98	18.29	18.17	18.18	+0.02	16,008
Est. sales: 25,000. Prev. sales: 35,112					
Prev. open int.: 192,328 up 895					
Stock Indexes					
SP COMP INDEX (CMER) 250 x index					
Dec 97	989.70	980.90	983.80	-2.80	309,105
Mar 98	999.50	991.80	994.00	-3.70	104,067
Jun 98	1005.00	1005.00	1005.00	-3.50	4,279
Est. sales N.A. Fri's sales 168,801					
Fri's open int 421,324, up 3,896					
FTSE 100 (LIFFE) £25 per index point					
Dec 97	5245.0	5195.0	5218.0	+29.0	55,834
Mar 98	5294.0	5245.0	5266.5	+30.0	12,992
Est. sales: 9,591. Prev. sales: 14,920					
Prev. open int.: 68,826 off 810					
CAC 40 (MATIF) FF200 per index point					
Dec 97	2957.0	2925.0	2942.0	+24.0	44,151
Jan 98	2960.0	2954.0	2949.0	+24.0	4,584
Mar 98	2975.5	2954.0	2965.5	+23.5	11,498
Est. sales: 10,737.					
Open int.: 78,426 up 26.					

Commodity Indexes

	Close	Previous
Moody's	1,487.20	1,489.40
Reuters	1,792.30	1,789.80
D.J. Futures	145.01	144.55
CRB	236.26	235.79

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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French Theme Park Priced to Sell

Bloomberg News

PARIS — Parc Asterix SA's investors have had little to be amused about since shares in the French theme park based on a cartoon character were first sold six weeks ago.

The stock has slid 32 percent since its initial trading day Oct. 27, while Paris's Second Marche Index of small companies has risen 6.6 percent. Now, many analysts say the stock is so cheap it can only rise.

The stock's troubles began with an unfortunate choice of date for its market debut — four days after a 10 percent slump in Hong Kong stocks sparked a global market meltdown, and the same day that the Dow Jones industrial average in New York plummeted 7.2 percent. Its association in the public mind with another French theme park that has disappointed investors, Euro Disney SCA, also has hurt, analysts said.

"Not only did Parc Asterix have bad timing, it's been tainted by Euro Disney," said Jean-Michel Iribarne, an analyst at CDC Bourse in Paris. "It's totally unjustified."

Parc Asterix, which opened its park about 30 miles (48 kilometers) north of Paris in 1989, sold 2.1 million new shares at 153 francs ($25.79) each, raising about 320 million francs. The shares, traded on France's small-company market, closed Monday at 104.50 francs, down 1.70.

Euro Disney's shares have fallen from a high of 73.02 francs in October 1992 to 7.5 francs Monday.

"Euro Disney's profit, share performance and debt problems left a nasty taste in peoples' mouths," Mr. Iribarne said. "Now they simply don't trust these types of stocks."

Mr. Iribarne has a "strong buy" recommendation on Parc Asterix, however, based on one key factor: If Parc Asterix closed tomorrow, sold its assets and distributed the proceeds to shareholders, the payout would be about 30 percent more per share than the current stock price.

"It's very, very rare that any stock on any exchange quotes at 30 percent below book value," Mr. Iribarne said.

In addition, Euro Disney's debt is equal to 126 percent of its equity, while Parc Asterix's debt stands at just 10 percent of equity.

Parc Asterix's main shareholders are Generale des Eaux SA, with 8.3 percent; Accor SA, with 7.4 percent, and Barclays PLC of Britain, with 6 percent. The companies sold about two-thirds of their shares in the offering and agreed not to sell more for 18 months.

"We said we'd keep our stake, and I see no reason to sell it right now," said Benjamin Cohen, a member of Accor's executive board. "It was a case of bad timing; the share is surely worth more than it is now. We agree with management's outlook for the future."

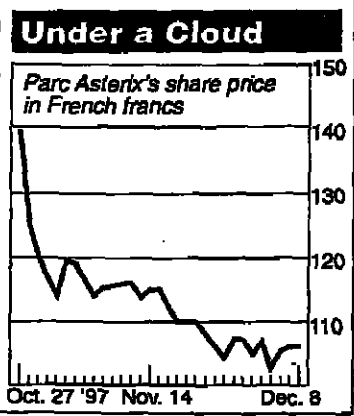
The park's new roller-coaster, Zeus's Thunder, helped the company attract 12.4 percent more visitors last season, pushing sales up 14 percent in the first nine months of the year, to 328 million francs.

The park's earnings are expected to rise to 10 francs a share in 1997, 11.5 francs a share in 1998 and 14 francs a share in 1999, according to Mr. Iribarne. The company's earnings will be released at the end of February.

In 1996, profit slumped 50 percent, to 15.5 million francs, or 5.94 francs per share, as France's economic growth slowed to 1.5 percent from 2.1 percent in 1995. The economy is expected to grow about 2.3 percent this year and as much as 3 percent in 1998.

"Leisure spending is very sensitive to the speed of the economy," said Mr. Iribarne.

Under a Cloud



Source: Bloomberg IHT

Dow Jones Weighs Link With NBC

By Geraldine Fabrikant
New York Times Service

NEW YORK — After months of talks, Dow Jones & Co. and the NBC television network are close to a deal that would merge the overseas operations of the business and entertainment cable channel CNBC with Dow Jones's Asia Business News and European Business News, according to an executive with knowledge of the talks.

The merger, which could be announced early this week, would bring together the brand name of Dow Jones's Wall Street Journal with that of CNBC and would be intended to cut overseas losses at both companies. Besides merging operations abroad, the two companies also hope to combine some domestic operations, with Dow Jones providing news to CNBC.

CNBC has expanded to both Europe and Asia, where it competes directly with Dow Jones's cable services. Under the new arrangement, the two companies would combine those services, keeping the CNBC logo but tapping The Wall Street Journal for journalistic resources.

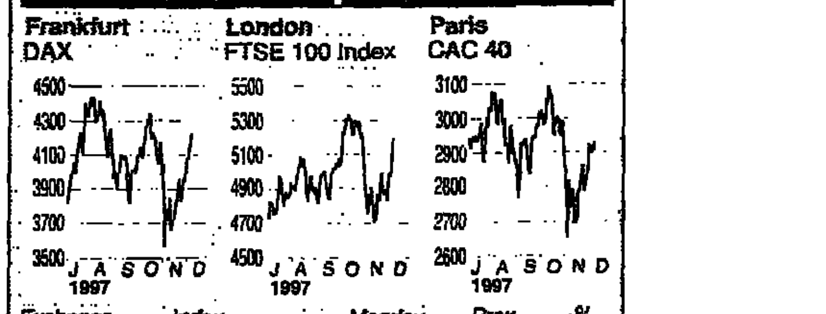
Under the deal, NBC would pay Dow Jones a license fee related to advertising and revenue, according to a person close to the talks.

The arrangement would help reduce some Dow Jones divisions' losses. The company's television businesses are expected to lose about $48 million this year, according to a company spokesman.

Its rival and prospective partner in those areas is losing money, too. NBC, a unit of General Electric Co., is losing about $25 million in Asia and $15 million in Europe, according to a person close to the network.

If the deal is completed, the two companies expect that Asia Business News will break even in two to three years and that European Business News, a newer venture, will do the same in three to four years.

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	AEX	926.47	920.50	+0.65
Brussels	BEL-20	2,511.74	2,503.99	+0.31
Frankfurt	DAX	4,223.36	4,170.08	+1.28
Copenhagen	Stock Market	658.19	650.36	+1.20
Helsinki	HEX General	3,456.28	3,422.96	+0.97
Oslo	OBX	686.93	673.52	+1.99
London	FTSE 100	5,187.40	5,176.00	+0.22
Madrid	Stock Exchange	Closed	626.73	-
Milan	MIBTEL	Closed	15754	-
Paris	CAC 40	2,932.47	2,910.09	+0.77
Stockholm	SX 16	3,352.93	3,310.74	+1.27
Vienna	ATX	Closed	1,303.26	-
Zurich	SPI	3,800.57	3,761.85	+1.03

Source: Telekurs International Herald Tribune

Czech Republic Delays Bank Sale

By Peter S. Green
International Herald Tribune

PRAGUE — In the first fallout from the Czech Republic's political finance scandals, Finance Minister Ivan Pilip said Monday that he was prepared to open the files on a number of privatizations, and he confirmed that he would delay the sale of the troubled Investicni a Postovni Banka, the country's third-largest bank known as IPB, to Nomura International of Japan.

But Mr. Pilip said that three other large bank privatizations would not be stopped, despite a call by Parliament last week demanding a halt until a new government is named.

"Privatization has to go on, despite the resolution by Parliament," Mr. Pilip said at a press conference. The resolution passed last week after Prime Minister Vaclav Klaus resigned amid allegations that businessmen seeking government favors in privatization had made handsome contributions to his party.

"We are ready to continue with IPB's privatization," Mr. Pilip said, "but we cannot accept conditions that are inadequate for the Czech Republic."

Analysts applauded Mr. Pilip's plans to allow a review of important privatizations, saying it would boost investor confidence in a country with a growing reputation for corruption.

Among the privatizations Mr. Pilip said would be reopened were the $1.45 billion sale of a 27 percent stake in the telephone company SPT Telecom to Swiss and Dutch telephone companies, and the sales of the glassmaker Crystalex, the liqueur maker Jan Becher, and Trinecke Zelezarny, a steel mill.

The incident that brought down Mr. Klaus was the admission by a Czech entrepreneur, Milan Srejber, that he was behind two donations valued at 7.5 million koruny ($215,000) to Mr. Klaus's Civic Democratic Party.

A month before the donations, Mr. Srejber had won the privatization tender for Trinecke.

Mr. Pilip said Monday that it was too early to begin a formal review of suspect privatizations and that it was unlikely that major privatization sales would be reversed. But he said that if anyone illegally influenced privatization, they should be punished.

A Christmas Story: Holliday for Yule

Compiled by Our Staff From Dispatches

LONDON — Yule Catto & Co., a specialty-chemicals maker, said Monday it had agreed to buy Holliday Chemical PLC to try to gain economies of scale in the specialty-chemicals market.

Yule said the £255.6 million ($424 million) transaction would increase its earnings next year, expand its reach and tap into Holliday's sales of ranitidine, a component of the best-selling ulcer drug Zantac.

The combined company would develop Holliday's pharmaceutical and organic fine-chemicals businesses and Yule Catto's flavors and fragrances units, the companies said.

(Bloomberg, Reuters)

Very briefly:

- **Tesco PLC** is withdrawing from France, as the British food retailer confirmed it was negotiating to sell its **Catteau SA** subsidiary to a French counterpart, **Promodes SA.**
- **Airbus Industrie's** board approved investing $2.9 billion in two models intended to challenge **Boeing Co.** in the field of large long-range jetliners. Britain, France and Germany are likely to start considering Airbus's restructuring by the end of the week, Defense Minister Alain Richard of France said.
- **The Stockholm Stock Exchange** suspended the head of the trading department at the bank **Foreningssparbanken** for alleged manipulation of share prices and criticized the bank over trading irregularities.
- **The European Union's** trade surplus in goods with the **United States** was 1.6 billion European currency units ($1.78 billion) in 1996, reversing a deficit of 1.4 billion Ecus in 1995.
- **Karel van Miert,** the EU's commissioner for competition, said the European Commission was unlikely to rule on three proposed trans-Atlantic airline pacts, including **British Airways'** alliance with **American Airlines,** before February.
- **Large European companies** face an average cost of $30 million to prepare for monetary union, for a total cost of $51 billion, **KPMG Management Consulting** said.
- **Waterford Wedgwood PLC** offered 200 Deutsche marks ($112.91) each for shares in another maker of glass and ceramics, **Rosenthal AG.**

Reuters, Bloomberg, AP, AFX

WORLD STOCK MARKETS

Monday, Dec. 8
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 926.47 Previous: 920.50

	High	Low	Close	Prev.
ABN-AMRO	42.10	41.50	41.90	41.40
Aegon	178.70	176.60	177.30	176.50
Ahold	55.80	55.30	55.50	55
Akzo Nobel	356.40	351	351	354
Baan Co.	156	153.80	156	152.70
Bols Wess cva	31.90	31.20	31.50	31.70
CSM cva	85.60	84.10	84.10	84.90
Dordtsche Pet	107.60	105.50	107	104
DSM	187.80	185.50	186.90	186.40
Elsevier	34	33.70	33.80	33.70
Fortis Amev	88.30	86.20	87.20	87.20
Getronics	65.20	63.40	64.20	62.30
G-Broc cva	54.50	53.20	53.40	52.60
Hagemeyer	94.30	92.80	93.50	93.70
Heineken	349.70	346	349	347
Hoogovens cva	97	95.20	96	94.30
Hunt Douglas	78.50	77	78	78.30
ING Group	89.30	86.40	86.80	88.10
KLM	76.80	74.50	76.30	74.10
KNP BT	43.90	43.20	43.30	43.60
KPN	83.60	82.50	82.60	83.50
Nedlloyd Gp	46.20	44.10	44.50	45
Nutricia	61.90	61	61.40	60.80
Oce Grinten	232	229.50	230	229.70
Philips Elec	137.60	134.70	136.60	133.10
Polygram	104.20	101.50	102	101.60
Randstad Hdg	76	74.10	75.70	74.30
Robeco	193.50	192.30	193.30	191
Rodamco	57.30	56.60	57.30	57
Rolinco	180.70	180.70	180.70	178.50
Rorento	120.20	119.80	119.90	119.50
Royal Dutch	109.40	108	108.60	106.80
Unilever cva	122.20	121.50	123.10	120.90
Vendex Intl	113	111.50	112.90	111.20
VNU	51.40	50.90	51.40	51
Wolters Kl cva	267.80	265.10	266.60	266

Bangkok
SET index: 481.80 Previous: 388.77

	High	Low	Close	Prev.
Adv Info Svc	272	198	220	194
Bangkok Bk F	138	119	129	114
Krung Thai Bk	13.25	12	12.50	12.75
PTT Explor	402	390	398	372
Siam Cement F	396	334	394	334
Siam Com Bk F	75.50	63.50	70.50	60.50
Telecomasia	12.75	11.25	11.75	11
Thai Airways	50	44.50	50	44
Thai Farm Bk F	126	103	116	101
Utd Comm	25	21.50	25	21.75

Bombay
Sensex 30 index: 3468.19 Previous: 3469.08

	High	Low	Close	Prev.
Bajaj Auto	604	591	594.50	599.50
Hindust Lever	1350	1322.25	1332.25	1346.75
Hindust Petm	456	450	450.50	452.75
Ind Dev Bk	83.75	82.25	83	82
ITC	642.75	614.25	619.50	633
Mahanagar Tel	223.75	217.25	221	217.25
Reliance Ind	168.50	164.25	166	161.75
State Bk India	216.75	209	216.75	211.75
Steel Authority	11	10.25	10.25	10.75
Tata Eng Loco	281.50	274.75	279	279

Brussels
BEL-20 index: 2511.74 Previous: 2503.74

	High	Low	Close	Prev.
Almanij	1750	1720	1725	1730
Barco Ind	6880	6840	6840	6850
BBL	10175	10000	10100	10125
CBR	3500	3415	3495	3450
Colruyt	20000	19900	20000	19975
Delhaize Lion	1925	1900	1925	1905
Electrabel	8310	8280	8310	8290
Electrafina	3500	3450	3480	3480
Fortis AG	7670	7600	7600	7630
Gevaert	1690	1635	1690	1630
GBL	5630	5580	5590	5620
Gen Banque	15775	15550	15650	15550
Kredietbank	15475	15200	15300	15325
Petrofina	14575	14450	14475	14450
Powerfin	5190	5170	5190	5190
Royale Belge	10500	10200	10300	10300
Soc Gen Belg	3560	3515	3545	3530
Solvay	2425	2370	2400	2350
Tractebel	3135	3115	3120	3105
UCB	131000	129100	129500	130000

Copenhagen
Stock index: 658.19 Previous: 650.36

	High	Low	Close	Prev.
BG Bank	495	480	490	482
Carlsberg B	382	372	378	375
Codan Forr	965	965	965	960
Danisco	373	364	368	368
Den Danske Bk	863	845	846	845
D/S Svendborg B	425000	424468	425000	425000
D/S 1912 B	300000	297000	297000	295000
FLS Ind B	189	177	186	174
Kob Lufthavne	792	784	792	785
Nvo Nordisk B	920	880	907	890
Sophus Ber B	1100	1080	1080	1079
Tele Danmk B	430	414	428	413
Tryg Baltica	431	419	430	419
Unidanmark A	513	482.07	500	490

Frankfurt
DAX: 4223.36 Previous: 4170.08

	High	Low	Close	Prev.
AMB B	174.20	173	173.90	172.80
Adidas	266	264.50	265.30	268
Allianz	443	434.50	438.30	436.50
Altana	128	123.70	123.60	128
Bk Berlin	38.30	37.90	37.95	37.85
BASF	64.85	64.35	64.35	64.35
Bayer Hypo Bk	87	85.35	86.45	83.75
Bay Vereinsbank	118.40	117	117.30	114.80
Bayer	67.90	67.25	67.45	67.20
Beiersdorf	77.50	77	77.30	78.50
Bewag	44.40	43.60	44.15	43
BMW	1443	1435	1443	1417.50
AXA Colonia	171	164	164	167
Commerzbank	66.50	65.50	66.35	63.20
Daimler Benz	128.60	127.50	128.50	127.10
Degussa	93.50	91.50	91.70	90.80
Deutsche Bank	122.60	121.25	121.85	118.10
Deut Telekom	36.30	34.75	35.80	35.90
Dresdner Bank	79	76.80	78.95	74.60
Fresenius	286	281	284	284
Fresenius Med	115	112.50	113	113.80
Fried. Krupp	358	357	357	358
Gehe	102.30	98.50	98.50	101.50
Heidelbg Zmt	142	141	142	140
Henkel pfd	115	113.50	113.50	110.80
HEW	465	465	465	465
Hochtief	75.10	75.10	75.10	78.50
Hoechst	64.70	63.80	64.25	63.10
Karstadt	654	646	652	644
Lahmeyer	78	77.40	77.50	77.55
Linde	1155	1140	1150	1125
Lufthansa R	34.80	34.20	34.50	34.75
MAN	553.30	546	546	542.50
Mannesmann	887	879	881	884
Metallgesellschaft	34.10	33.70	33.85	34.30
Metro	83.80	82	83.20	82
Munch Rueck R	606	598	606	600
Preussag	524	515	519	523
RWE	97.90	97.10	97.45	97.75
SAP	565	562	562	554.50
Schering	182.80	179.50	182.80	177.90
SGL Carbon	240.50	238	239.50	239.90
Siemens	112	110.80	111.25	110.80
Springer (Axel)	1380	1380	1380	1330
Suedzucker	920	920	920	920
Thyssen	421.80	419.50	419.50	416
Veba	117	115.50	115.80	115.25
VEW	560	560	560	570
Viag	994	987	989.50	984.50
Volkswagen	1052	1036	1037	1037.50

Helsinki
HEX General index: 3456.28 Previous: 3422.96

	High	Low	Close	Prev.
Enso A	48	48	48	47
Huhtamaki I	230	228	228	222
Kemira	52	51.80	51.90	51
Kesko	84.50	84	84	84
Merita A	27.20	27	27	26.90
Metra B	130	129.20	129.20	130
Metsa-Serla B	49	47	48.50	47.50
Neste	129	126.50	128	124
Nokia A	435.50	431	435	427
Orion-Yhtymae	215	211	214	210
Outokumpu	73	72.90	72.90	73
UPM-Kymmene	114	112	112	112.70
Valmet	79.50	79	79	78.70

Hong Kong
Hang Seng: 11712.94 Previous: 11527.60

	High	Low	Close	Prev.
Amoy Props	7.15	6.90	7.05	6.90
Bk East Asia	19.65	19.25	19.30	19.65
Cathay Pacific	7.25	7.05	7.10	7.15
Cheung Kong	58.25	56.75	57.25	57.25
CK Infrastruct	23.50	22.25	23.10	22.30
China Light	43.30	42.80	43	42.70
Citic Pacific	34.40	33.30	33.80	33.20
Dao Heng Bk	22.80	22.35	22.55	22.55
First Pacific	5.50	5.30	5.45	5.25
Hang Lung Dev	11.90	11.75	11.90	11.75
Hang Seng Bk	79.25	77	78.50	77.50
Henderson Inv	7.05	6.85	7	6.85
Henderson Ld	41.40	40	40.90	40.10
HK China Gas	15.35	15	15.20	15.25
HK Electric	30.30	29.60	29.95	29.55
HK Telecomm	16.95	16.65	16.70	16.60
Hopewell Hdgs	2.33	2.10	2.23	2.10
HSBC Hdgs	211	205	209	203
Hutchison Wh	57	55.25	55.50	56
Hysan Dev	16.90	16.60	16.75	16.60
Johnson El Hdg	22.40	21.80	21.95	22
Kerry Props	14	14	14	13.90
New World Dev	32.20	31	31.90	31.30
Oriental Press	2.45	2.30	2.33	2.43
Pearl Oriental	0.44	0.41	0.42	0.42
SHK Props	64.75	62.50	64.25	62
Shun Tak Hdgs	2.93	2.73	2.83	2.93
Sino Land Co.	5.25	5.05	5.20	5.20
Sth China Post	6.25	6.15	6.20	6.10
Swire Pac A	46.80	45.10	46	45
Wharf Hdgs	17.60	16.60	17.55	16.60
Wheelock	9.90	9.55	9.85	9.55

Jakarta
Composite index: 422.61 Previous: 414.78

	High	Low	Close	Prev.
Astra Intl	2175	2050	2075	2025
Bk Intl Indon	525	475	525	475
Bk Negara	625	575	600	600
Gudang Garm	9200	8650	8675	9000
Indocement	1575	1500	1500	1475
Indofood	2725	2450	2600	2400
Indosat	9275	8650	9250	8575
Sampoerna HM	5150	4975	5100	4975
Semen Gresik	3350	3000	3000	3150
Telekomunikasi	3100	2900	3075	2900

Johannesburg
All Market: 6153.92 Previous: 6168.74

	High	Low	Close	Prev.
ABSA Group	28	27.25	27.30	27.20
AngloAm Coal	225	225	235	235
AngloAm Corp	196.20	191	196	196
AngloAm Gold	172	167	174	174
AngloAm Ind	112	103	107	107
AngloAM Plat	74.80	72.50	74.80	74.80
AVMIN	6	5.90	6	6
Barlow	43.30	41.50	43.25	43.25
C.G. Smith	20	19.60	20.10	20.10
De Beers	100.80	99.20	99.80	99.80
Driefontein	31.95	31.05	31.60	31.60
Fst Natl Bk	41.20	40.70	41.25	41.25
Gencor	7.80	7.65	7.80	7.80
GFSA	64	62.10	62	62
Imperial Hdgs	58.20	57	58	58
Ingwe Coal	17.50	17.15	17.25	17.25
Iscor	2.05	1.90	2.01	2.01
Johnnies Indl	50	49.25	49.50	49.50
Liberty Hdgs	329.80	328	329.80	329.80
Liberty Life	121	120	120	120
LibLife Strat	16	15	15.75	15.75
Minorco	86.40	85.50	87	87
Nampak	15.80	15	15.70	15.70
Nedcor	108	106.40	105.80	105.80
Rembrandt Gp	36.70	36.40	36.30	36.50
Richemont	54	52	53	53
SA Breweries	120	118.80	118	118
Samancor	24.50	24.50	24.50	24.50
Sasol	50.50	49.50	49	49
SBIC	211.60	203.60	211.60	211.60
Tiger Oats	68.40	67.50	68	68

Kuala Lumpur
Composite: 676.47 Previous: 687.40

	High	Low	Close	Prev.
AMMB Hdgs	3.88	3.06	3.54	2.99
Genting	11.50	9.65	10.70	9.50
Mal Banking	13	10.50	12.60	10.10
Mal Intl Ship F	6.80	5.40	5.65	5.25
Petronas Gas	10	9.20	9.80	9.60
Proton	5.65	4.78	5.25	4.72
Public Bk	2.32	2.10	2.23	1.99
Renong	Susp.	Susp.	Susp.	1.80
Resorts World	7.45	6	7	5.70
Rothmans PM	35.25	32	32	35
Sime Darby	4.56	4.16	4.32	3.96
Telekom Mal	12.60	10.30	11.90	10
Tenaga	9.50	7.60	9.05	7.25
Utd Engineers	Susp.	Susp.	Susp.	3.24
YTL	5.60	4.08	5.30	4

London
FT-SE 100: 5187.40 Previous: 5142.90

	High	Low	Close	Prev.
Abbey Natl	10.34	9.90	10.22	10.02
Allied Domecq	5.60	5.43	5.58	5.51
Anglian Water	8.50	8.14	8.36	8.34
Argos	6.22	6.10	6.18	6.10
Asda Group	1.81	1.71	1.74	1.72
Assoc Br Foods	5.60	5.48	5.54	5.56
BAA	5.20	5.06	5.13	5.20
Barclays	15.80	15.53	15.72	15.49
Bass	9.22	8.98	9.07	8.84
BAT Ind	5.53	5.39	5.49	5.46
Bank Scotland	5.95	5.45	5.64	5.44
Blue Circle	3.55	3.23	3.34	3.49
BOC Group	9.99	9.70	9.88	9.80
Boots	9.10	8.65	9.05	9.02
BPB Ind	3.30	3.25	3.28	3.31
Brit Aerosp	16.95	16.50	16.65	16.62
Brit Airways	5.68	5.38	5.57	5.48
BG	3	2.88	2.91	2.90
Brit Land	6.98	6.53	6.74	6.62
Brit Petm	8.75	8.56	8.63	8.53
BSkyB	4.70	4.60	4.62	4.72
Brit Steel	1.45	1.38	1.44	1.40
Brit Telecom	4.79	4.70	4.75	4.75
BTR	1.83	1.78	1.78	1.83
Burmah Castrol	10.30	10.03	10.25	10
Burton Gp	1.49	1.46	1.46	1.48
Cable Wireless	5.50	5.34	5.43	5.45
Cadbury Schw	6.33	6.20	6.25	6.24
Carlton Comm	4.73	4.38	4.68	4.71
Coml Union	8.96	8.78	8.85	8.69
Compass Gp	7.19	7.10	7.19	7.07
Courtaulds	3.12	3.02	3.05	3.07
Dixons	4.73	4.56	4.70	4.68
Electrocomponents	4.67	4.58	4.67	4.61
EMI Group	4.92	4.72	4.88	4.74
Energy Group	4.70	4.38	4.42	4.41
Enterprise Oil	6.13	6.03	6.11	6.05
Fam Colonial	1.75	1.72	1.75	1.71
Genl Accident	11.43	10.60	10.85	11.28
GEC	4.28	4.10	4.11	4.15
GKN	14	13.07	13.31	13.40
Glaxo Wellcome	14.42	14.03	14.33	14.02
Granada Gp	8.65	8.51	8.60	8.49
Grand Met	5.86	5.73	5.84	5.66
GRE	3.20	3.15	3.18	3.16
Greenalls Gp	4.34	4.25	4.34	4.24
Guinness	5.90	5.73	5.85	5.58
GUS	8.50	6.50	7.34	7.16
Hays	8.15	7.91	7.99	7.72
HSBC Hdgs	16.58	16.20	16.48	15.97
ICI	9.24	8.78	8.82	8.80
Impl Tobacco	4.07	3.90	3.93	4.06
Kingfisher	8.57	8.35	8.50	8.52
Ladbroke	2.85	2.79	2.83	2.83
Land Sec	10.90	9.90	10.10	9.96
Lasmo	2.94	2.75	2.77	2.74
Legal Genl Grp	5.27	5.16	5.23	5.17
Lloyds TSB Gp	7.91	7.50	7.84	7.47
LucasVarity	1.93	1.88	1.91	1.90
Marks Spencer	6.60	6.39	6.56	6.40
MEPC	5.52	5.48	5.48	5.51
Mercury Asset	16.80	16.68	16.69	16.75
National Grid	3.02	2.97	3	2.99
Natl Power	6.10	5.70	6.02	5.97
NatWest	10	9.47	9.92	9.45
Next	7.54	7.36	7.43	7.47
Norwich Union	3.98	3.81	3.90	3.84
Orange	2.80	2.60	2.73	2.63
P&O	6.81	6.62	6.78	6.80
Pearson	8.50	8.20	8.41	8.33
Pilkington	1.25	1.22	1.23	1.23
PowerGen	8.05	7.93	7.99	7.93
Premier Farnell	4.25	4.18	4.18	4.18
Prudential	7.22	7.09	7.16	7.11
Railtrack Gp	11.30	10.85	11.03	10.85
Rank Group	3.55	3.44	3.52	3.50
Reckitt Colm	9.87	9.52	9.65	9.52
Redland	3.45	3.42	3.43	3.44
Reed Intl	7	6.12	6.21	6.17
Rentokil Initial	2.62	2.54	2.59	2.56
Reuters Hdgs	7.28	7.14	7.18	7.40
Rexam	2.94	2.89	2.89	2.91
RTZ reg	7.90	7.69	7.84	7.46
RMC Group	9.45	9	9.04	9.35
Rolls Royce	2.48	2.40	2.45	2.40
Royal Bk Scot	7.81	7.27	7.58	7.90
Royal & Sun All	6.06	5.82	5.97	5.85
Safeway	3.30	3.24	3.29	3.27
Sainsbury	5.30	5.11	5.19	5.20
Schroders	19.20	17.05	19.14	18.64
Scot Newcastle	7.65	7.27	7.52	7.40
Scot Power	5.71	5	5.16	5.13
Securicor	2.91	2.88	2.90	2.87
Severn Trent	10.50	9.70	9.99	9.86
Shell Transp R	4.47	4.36	4.44	4.24
Siebe	12.60	12.27	12.43	12.65
Smith Nephew	1.79	1.75	1.78	1.75
SmithKline	6.50	6.34	6.44	6.32
Smiths Ind	9.07	8.85	8.96	8.74
Sthern Elec	5.02	4.90	4.98	4.90
Stagecoach	7.74	7.63	7.72	7.64
Stand Charter	7.85	7.46	7.67	7.56
Tate & Lyle	4.83	4.75	4.81	4.88
Tesco	5.35	5.12	5.33	5.33
Thames Water	9.68	9.45	9.60	9.54
3i Group	5.20	5.04	5.14	5.17
TI Group	5.33	4.96	5.21	4.97
Tomkins	3.09	3.02	3.06	3.07
Unilever	5.08	4.97	5.04	4.95
Utd Assurance	5.25	5.20	5.20	5.20
Utd News	8	7.65	7.71	7.65
Utd Utilities	7.80	7.55	7.70	7.79
Vendome Lx uts	4.70	4.65	4.70	4.71
Vodafone	4.08	3.84	4.03	4.08
Whitbread	8.98	8.55	8.78	8.57
Williams Hdgs	3.68	3.37	3.42	3.51
Wolseley	5.15	4.85	4.88	4.91
WPP Group	2.68	2.63	2.68	2.63
Zeneca	19.89	19.55	19.76	19.59

Markets Closed

Markets in Madrid, Milan and Vienna were closed Monday for a holiday.

Manila
PSE index: 1957.21 Previous: 1980.86

	High	Low	Close	Prev.
Ayala	15	14.75	14.75	14.25
Ayala Land	16.25	15.75	16.25	15.75
Bk Philip Isl	90.50	88	90	88
C&P Homes	2.60	2.40	2.60	2.40
Manila Elec A	81.50	80	80	80
Metro Bank	280	275	277.50	270
Petron	3.70	3.50	3.60	3.50
PCIBank	140	132	139	136
Phil Long Dist	920	895	920	890
San Miguel B	53.50	50	50	49.50
SM Prime Hdg	6.70	5.90	6	5.90

Mexico
Bolsa index: 5113.87 Previous: 5118.16

	High	Low	Close	Prev.
Alfa A	61.80	61.30	61.30	61.50
Banacci B	21.90	21.20	21.20	21.50
Cemex CPO	36.80	36.40	36.50	36.80
Cifra C	17.80	16.88	17.80	16.98
Emp Moderna	40.25	39.60	40.25	40.00
Gpo Carso A1	55.80	55.00	55.40	55.00
Gpo F Bcomer	3.24	3.04	3.14	3.18
Gpo Fin Inbursa	33.50	31.00	33.10	32.80
Kimb Clark Mex	38.00	37.70	37.90	38.20
Televisa CPO	161.50	160.00	160.00	161.50
TelMex L	21.50	21.30	21.50	21.35

Montreal
Industrials index: 3434.53 Previous: 3391.85

	High	Low	Close	Prev.
Bce Mob Com	39½	39½	39¼	38.15
Cdn Tire A	31.20	30¼	30.90	30.40
Cdn Util A	40½	40¼	40¼	39.95
CT Finl Svc	53	52.50	52.50	52.50
Gaz Metro	18.70	18.45	18.55	18.45
Gt-West Lifeco	35¾	35	35¼	35.20
Imasco	52	51.40	51.40	51
Investors Grp	43¼	43¼	43¼	42.80
Loblaw Cos	24.65	24.30	24½	24¼
Natl Bk Canada	23.85	23.20	23¼	23½
Power Corp	47¼	46.05	47¼	46.35
Power Finl	46½	45¾	46.20	45½
Quebecor B	27.90	27.80	27.90	27.85
Rogers Comm B	6.45	6.25	6.25	6.30
Royal Bk Cda	82½	80½	81	80.55

Oslo
OBX index: 686.93 Previous: 673.52

	High	Low	Close	Prev.
Aker A	132	130	130	127.50
Bergesen Dy A	192.50	188	188	186
Christiania Bk	27.30	26.80	26.80	26.40
Den norske Bk	32.40	31.60	31.60	31.50
Elkem	100	98	100	98
Hafslund A	45	44	45	44.20
Kvaerner	393	381	381	378
Norsk Hydro	383	375	375	372
Norske Skog A	224	220	220	219
Nycomed Amer	187	186	186	189.50
Orkla A	643	639	640	634
Petm GeoSvc	471	465	465	455
Saga Petm A	139	136	136.50	134
Schibsted	130	129	130	129
Transocean Off	350	350	350	345
Storebrand	50.50	48.80	49	48.50

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CONRAD INTERNATIONAL HOTELS

Paris
CAC-40: 2932.47 Previous: 2910.09

	High	Low	Close	Prev.
Accor	1179	1135	1157	1150
AGF	333.30	329.20	329.60	333.50
Air Liquide	930	920	930	927
Alcatel Alsth	770	757	764	747
Axa-UAP	451.90	444.50	449	447.20
Bancaire	942	919	941	915
BIC	448.50	432	435	432.10
BNP	317	309	313.60	301.80
Canal Plus	1014	1006	1010	1008
Carrefour	3089	3041	3064	3020
Casino	337.40	334.50	335	338
CCF	405	394	400	389
Cetelem	804	786	804	782
Christian Dior	635	623	632	624
Credit Agricole	1125	1125	1125	1136
Danone	994	975	994	988
Dexia Fran	682	665	682	668
Elf-Aquitaine	686	677	680	681
Eridania BS	970	933	970	950
Eurodisney	7.55	7.35	7.45	7.45
Eurotunnel	6.35	6.20	6.35	6.30
France Telecom	217.80	215.50	217.80	216.80
Gen. Eaux	800	786	797	795
Havas	420	411	417	415
Imetal	713	700	713	700
Lafarge	389	384	387.10	383.50
Legrand	1204	1166	1180	1166
L'Oreal	2345	2260	2299	2308
LVMH	1058	1030	1030	1025
Michelin B	338.60	326.10	332.20	334.10
Paribas A	461.90	448.10	461.50	444.50
Pernod Ricard	328	323	323	326
Peugeot Cit	722	704	719	703
Pinault-Print	3191	3127	3159	3121
Promodes	2358	2310	2329	2285
Renault	181	177.20	179.70	177.20
Rexel	1850	1820	1850	1838
Rh-Poulenc A	269.70	264.50	268.80	266.50
Sanofi	612	599	610	606
Schneider	339.80	330	330	336.20
SEB	825	801	811	815
SGS Thomson	422.90	402	407	401.90
Ste Generale	831	818	825	806
Sodexho	3438	3362	3405	3385
St Gobain	845	831	834	827
Suez (Cie)	15.40	15.40	15.40	15.25
Suez Lyon Eaux	660	643	650	644
Synthelabo	788	772	784	780
Thomson CSF	166.80	162.10	165	165.20
Total B	626	614	614	614
Usinor	93	91.10	92.35	91.90
Valeo	421	401.60	412	419.10

São Paulo
Bovespa index: 10874.27 Previous: 10880.05

	High	Low	Close	Prev.
Bradesco Pfd	9.01	8.80	9.00	8.99
Brahma Pfd	730.00	725.00	725.00	730.00
Cemig Pfd	51.00	49.80	50.00	51.00
CESP Pfd	75.00	72.01	72.50	75.00
Copel	13.55	13.24	13.24	13.27
Eletrobras	540.00	532.00	535.00	530.00
Itaubanco Pfd	508.01	505.00	507.00	500.00
Light Servicios	460.00	450.00	450.00	462.50
Lightpar	300.00	290.00	290.00	294.00
Petrobras Pfd	267.00	261.00	265.00	261.99
Paulista Luz	149.99	147.51	147.51	150.99
Sid Nacional	32.50	31.00	32.50	31.00
Souza Cruz	8.45	8.40	8.45	8.40
Telebras Pfd	128.97	126.10	126.30	126.50
Telemig	128.00	125.99	126.00	125.50
Telerj	117.00	115.50	115.50	117.00
Telesp Pfd	326.00	321.00	324.00	325.00
Unibanco	39.00	39.00	39.00	39.11
Usiminas Pfd	7.05	6.85	6.90	7.05
CVRD Pfd	21.20	20.60	20.75	20.80

Seoul
Composite index: 414.83 Previous: 435.73

	High	Low	Close	Prev.
Dacom	66600	61700	65000	57200
Daewoo Heavy	6200	5490	5490	5940
Hyundai Eng.	9880	8610	9600	8480
Kia Motors	6150	5700	6150	5350
Korea El Pwr	18100	15700	16300	16900
Korea Exch Bk	4780	4010	4010	4480
LG Semicon	19500	16700	17500	18100
Pohang Iron St	57200	50300	50300	54200
Samsung Display	40100	35000	35000	40100
Samsung Elec	49900	42400	42400	48800
Shinhan Bank	8300	7430	7430	7480
SK Telecom	505000	468500	500000	434000

Singapore
Straits Times: 1753.63 Previous: 1713.77

	High	Low	Close	Prev.
Asia Pac Brew	4.70	4.66	4.70	4.60
Cerebos Pac	5.20	4.96	5	4.90
City Devlts	8.75	8.40	8.45	8.30
Cycle Carriage	7.60	7.50	7.55	7.40
Dairy Farm Intl*	0.94	0.93	0.93	0.94
DBS foreign	16.70	16.10	16.50	16.10
DBS Land	3.06	2.81	2.92	2.81
Fraser & Neave	9.40	8.70	9.25	8.60
HK Land*	2.29	2.22	2.25	2.24
Jard Matheson*	5.40	5.15	5.15	5.45
Jard Strategic*	2.83	2.75	2.75	2.90
Keppel A	6.10	5.65	5.75	5.60
Keppel Bank	2.90	2.80	2.86	2.76
Keppel Fels	4.74	4.60	4.72	4.60
Keppel Land	2.89	2.66	2.80	2.64
OCBC foreign	11.50	10.80	11.70	10.80
OS Union Bk F	7.30	6.85	6.85	7
Parkway Hdgs	3.86	3.72	3.76	3.60
Sembawang	5.65	5.45	5.50	5.45
Sing Air foreign	12.20	11.70	12	11.50
Sing Land	4.76	4.68	4.72	4.68
Sing Press F	23.30	22.70	23.10	22.70
Sing Tech Ind	1.77	1.66	1.75	1.66
Sing Telecomm	3.26	3.12	3.22	3.14
Tat Lee Bank	2.70	2.67	2.67	2.66
Utd Industrial	0.75	0.73	0.74	0.71
Utd OSea Bk F	11.50	10.80	11.30	10.70
Wing Tai Hdgs	2.25	2.14	2.18	2.14

*: in U.S. dollars.

Stockholm
SX 16 index: 3352.93 Previous: 3310.74

	High	Low	Close	Prev.
AGA B	106	103	104.50	106
ABB A	99.50	97.50	97.50	99
AssiDoman	208	205	206	206
Astra A	139.50	135.50	139.50	135
Atlas Copco A	258	256	256.50	255.50
Autoliv	295	292	293	293.50
Electrolux B	638	630	633	628
Ericsson B	319.50	314	315	310
Hennes B	367	358.50	360	364.50
Incentive A	715	709	715	715
Investor B	390	380	381	382.50
MoDo B	222	217	221	221.50
Nordbanken	Susp.	Susp.	Susp.	255
Pharm/Upjohn	283.50	280	281	282.50
Sandvik B	253.50	246	253.50	245
Scania B	194	185	185	189
SCA B	179.50	173.50	179	175
S-E Banken A	95	93	93.50	93.50
Skandia Fors	414	408	408.50	404.50
Skanska B	328	324	324	326
SKF B	185	178	178.50	184
Foreningss	210	199	200	204.50
Stora A	99.50	97.50	99	98.50
Sv Handels A	288	287	290	284.50
Volvo B	226	221.50	222	222

Sydney
All Ordinaries: 2587.00 Previous: 2557.20

	High	Low	Close	Prev.
Amcor	6.85	6.71	6.83	6.78
ANZ Bkng	10.92	10.59	10.78	10.58
BHP	14.55	14.13	14.40	14.13
Boral	3.87	3.78	3.78	3.68
Brambles Ind.	28.55	27.90	28.55	27.80
CBA	17.35	17.19	17.30	17.15
CC Amatil	11.32	11.17	11.25	11.10
Coles Myer	7.56	7.42	7.51	7.48
Comalco	6.38	6.26	6.30	6.26
CSR	5.09	4.97	5.07	5
Fosters Brew	2.80	2.70	2.78	2.70
Goodman Fld	2.35	2.31	2.32	2.31
ICI Australia	11.10	10.92	11	10.87
Lend Lease	31.15	30.95	31	31
MIM Hdgs	1.20	1.17	1.19	1.16
Nat Aust Bank	21.05	20.59	20.85	20.55
Nat Mutual Hdg	2.43	2.38	2.38	2.36
News Corp	8.47	8.31	8.38	8.26
Pacific Dunlop	3.36	3.30	3.33	3.28
Pioneer Intl	4.05	3.93	3.98	3.95
Pub Broadcast	8.49	8.40	8.49	8.60
Rio Tinto	17.55	16.99	17.40	16.80
St George Bank	8.82	8.70	8.71	8.77
WMC	5.12	4.94	5.12	5
Westpac Bking	9.47	9.42	9.48	9.39
Woodside Pet	11.30	11.15	11.25	11.19
Woolworths	4.88	4.80	4.81	4.82

Taipei
Stock Market index: 8402.17 Previous: 8343.76

	High	Low	Close	Prev.
Cathay Life Ins	140	137	138.50	137.50
Chang Hwa Bk	94	90.50	91.50	92.50
Chiao Tung Bk	72.50	69	72.50	68
China Develpmt	96	90.50	95.50	90.50
China Steel	24.90	24.30	24.60	24.50
First Bank	94	90.50	91.50	92.50
Formosa Plastic	61	58.50	59.50	60
Hua Nan Bk	100	96	96.50	98
Intl Comm Bk	55.50	54	54.50	54.50
Nan Ya Plastics	58.50	56.50	57.50	57
Shin Kong Life	95	91	93.50	92.50
Taiwan Semi	130	121.50	129.50	121
Tatung	37.80	36.10	37.50	36.60
Utd Micro Elec	73.50	65.50	73.50	64.50
Utd World Chin	59.50	57.50	58	57

Tokyo
Nikkei 225: 16131.57 Previous: 16424.48

	High	Low	Close	Prev.
Ajinomoto	1170	1140	1150	1180
All Nippon Air	586	555	555	582
Amway	2440	2390	2440	2370
Asahi Bank	549	523	526	534
Asahi Chem	564	540	540	555
Asahi Glass	769	739	745	739
Bk Tokyo Mitsu	1790	1760	1770	1790
Bk Yokohama	364	350	350	341
Bridgestone	3070	2990	2990	3000
Canon	3270	3190	3260	3240
Chubu Elec	1980	1930	1960	1980
Chugoku Elec	1870	1830	1830	1850
Dai Nipp Print	2510	2460	2470	2490
Daiei	550	518	525	514
Dai-Ichi Kang	974	950	955	964
Daiwa Bank	325	307	311	317
Daiwa House	955	926	927	945
Daiwa Sec	425	403	405	411
DDI	3570a	3390a	3410a	3520a
Denso	2420	2380	2400	2410
East Japan Ry	5830a	5780a	5800a	5800a
Eisai	1920	1880	1890	1880
Fanuc	4970	4890	4900	4970
Fuji Bank	666	640	643	642
Fuji Photo	4880	4750	4800	4740
Fujitsu	1470	1440	1440	1450
Hachijuni Bk	1080	1040	1050	1050
Hitachi	965	940	940	960
Honda Motor	4930	4820	4890	4760
IBJ	1150	1120	1120	1140
IHI	263	257	260	263
Itochu	310	292	292	327
Ito-Yokado	5990	5900	5900	5900
JAL	384	370	380	381
Japan Tobacco	9600a	9400a	9480a	9550a
Jusco	2140	2050	2080	2080
Kajima	422	410	414	410
Kansai Elec	2110	2080	2100	2120
Kao	1760	1740	1750	1760
Kawasaki Hvy	269	251	258	272
Kawa Steel	202	172	176	196
Kinki Nipp Ry	700	695	699	700
Kirin Brewery	980	932	932	980
Kobe Steel	113	97	106	111
Komatsu	749	716	737	730
Kubota	420	400	401	410
Kyocera	6200	6070	6090	6190
Kyushu Elec	1900	1870	1890	1910
LTCB	215	205	213	208
Marubeni	298	265	266	283
Marui	1980	1930	1940	1950
Matsu Comm	3860	3780	3850	3840
Matsu Elec Ind	2020	1950	1970	1990
Matsu Elec Wk	1040	1000	1000	1040
Mitsubishi	1040	1010	1010	1010
Mitsubishi Ch	218	203	214	240
Mitsubishi El	339	320	328	340
Mitsubishi Est	1610	1540	1540	1540
Mitsubishi Hvy	501	493	496	502
Mitsubishi Mat	424	400	401	422
Mitsubishi Tr	1580	1490	1500	1590
Mitsui	902	877	881	892
Mitsui Fudosn	1360	1300	1300	1310
Mitsui Trust	258	248	251	240
Murata Mfg	3910	3910	3910	3850
NEC	1370	1350	1360	1370
Nikon	1480	1430	1448	1450
Nikko Sec	409	395	400	405
Nintendo	13400	13200	13300	13300
Nipp Express	638	619	621	621
Nippon Oil	395	385	387	387
Nippon Steel	215	199	201	219
Nissan Motor	516	489	500	527
NKK	121	114	114	127
Nomura Sec	1630	1600	1620	1620
NTT	1110b	1080b	1080b	1090b
NTT Data	7010b	6760b	6910b	6680b
Oji Paper	497	481	485	479
Osaka Gas	297	285	285	295
Ricoh	1630	1610	1620	1620
Rohm	13300	13300	13300	13400
Sakura Bk	451	425	426	449
Sankyo	3150	3060	3060	3120
Sanwa Bank	1400	1380	1390	1390
Sanyo Elec	352	345	347	357
Secom	7780	7630	7630	7770
Seibu Rwy	5800	5690	5800	5750
Sekisui Chem	895	850	874	895
Sekisui House	888	871	875	875
Seven-Eleven	9090	9000	9020	9040
Sharp	839	816	830	834
Shikoku El Pwr	1870	1830	1840	1850
Shimizu	405	392	398	398
Shin-etsu Ch	3040	2970	2990	3020
Shiseido	1810	1770	1790	1790
Shizuoka Bk	1230	1210	1220	1230
Softbank	2940	2830	2830	2850
Sony	12000	11800	12000	11800
Sumitomo	838	796	798	838
Sumitomo Bk	1600	1520	1530	1590
Sumit Chem	395	373	380	410
Sumitomo Elec	1740	1690	1710	1730
Sumit Metal	252	223	223	255
Sumit Trust	819	788	790	799
Taisho Pharm	3220	3170	3200	3200
Takeda Chem	3780	3720	3750	3710
TDK	10800	10500	10600	10500
Tohoku El Pwr	1920	1870	1870	1870
Tokai Bank	670	651	657	652
Tokio Marine	1130	1100	1120	1130
Tokyo El Pwr	2250	2200	2200	2260
Tokyo Electron	5420	5250	5310	5250
Tokyo Gas	299	293	296	299
Tokyu Corp.	545	521	523	545
Tonen	976	902	902	956
Toppan Print	1690	1660	1670	1680
Toray Ind	605	588	594	607
Toshiba	544	512	523	549
Tostem	1350	1190	1190	1390
Toyo Trust	805	789	790	786
Toyota Motor	3700	3630	3660	3660
Yamanouchi	3180	3110	3130	3180

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6787.90 Previous: 6724.37

	High	Low	Close	Prev.
Abitibi Cons.	20⅝	20.35	20.40	20.45
Alberta Energy	29	28.65	28.65	28.90
Alcan Alum	40.95	40.30	40.70	40.45
Anderson Expl	14	13.65	13.85	13.65
Bk Montreal	66	64.35	65¼	64.30
Bk Nova Scotia	68.20	67	67.95	65.90
Barrick Gold	23½	22.55	22.55	22.90
BCE	46.85	45.90	46⅛	45.80
BC Telecomm	40.40	39.60	40	40
Biochem Pharma	40	39.10	40	38.10
Bombardier B	30	29.55	29.95	29.55
Cameco	49.95	49	49.70	49½
CIBC	47.20	46.05	46.70	45.85
Cdn Natl Rail	74.65	73.40	74¼	73.40
Cdn Nat Res	33.85	33.35	33½	33.45
Cdn Occid Pet	32.80	32.40	32.80	32.30
Cdn Pacific	42¼	41.80	41.85	41.60
Cominco	23	21½	21.85	22.90
Dofasco	22.55	22.35	22.40	22.30
Domtar	10.60	10.35	10½	10.30
Donohue A	25.60	25¼	25.35	25¼
Du Pont Cda A	35	34¼	34.35	34¼
Edper Brascan	26.40	26.15	26.20	26.15
EuroNev Mng	14¼	14	14.20	14.10
Fairfax Finl	338	326	338	328
Falconbridge	18.05	17.60	18	17.80
Fletcher Chall A	20¼	19.90	20	20
Franco Nevada	24¼	23¾	24.05	24.15
Gulf Cda Res	11.40	11.05	11.30	11
Imperial Oil	88	85.80	87.70	85.60
Inco	27.15	26.85	26.85	26.95
IPL Energy	62½	60.90	62.15	60.90
Laidlaw B	19.10	18.85	19.10	19
Loewen Group	35½	34¼	34.90	34.55
Macmill Bldl	15.55	15.40	15½	15.35
Magna Intl A	94¼	93	94½	93.40
Methanex	12.40	12.15	12.30	12.35
Moore	22.60	22.30	22½	22½
Newbridge Net	61.70	60⅛	60.85	60.95
Noranda Inc	25.60	25.05	25½	25.05
Norcen Energy	17	16.60	16⅛	17
Nthern Telecom	141	136.95	140¼	136½
Nova	13.30	13.10	13.15	13.20
Onex	29.90	29.60	29.70	29.80
Pancan Petm	24	23¼	24	23.65
Petro Cda	27.85	27.05	27.85	26.90
Placer Dome	16	15½	15.60	15.90
Poco Petm	12.35	12.10	12.15	12.20
Potash Sask	115.85	115	115.60	115.20
Renaissance	30.20	29.45	29.90	29.40
Rio Algom	26½	26¼	26.40	26½
Rogers Comtel B	13.85	13.50	13.60	14
Seagram Co	46¼	45.60	45.90	45¼
Shell Cda A	28	27	27.85	27
Suncor	47½	45.80	47½	46.05
Talisman Eny	45.40	44.15	45.30	44
Teck B	20.65	20.15	20.25	20¼
Teleglobe	47¼	45¾	46.05	46.85
Telus	31.45	31.30	31.35	31.35
Thomson	38.80	38	38.80	38.20
TorDom Bank	54.40	53½	54.05	53.30
Transalta	20.60	20.35	20½	20.40
TransCda Pipe	31.10	30.85	30.95	30.90
Trimark Finl	70	69¼	69½	69¼
Trizec Hahn	35	34.80	34.95	35
TVX Gold	3.73	3.60	3.68	3.65
Westcoast Eny	33¼	33	33¼	32.95
Weston	114	112.05	114	113

The Trib Index
Prices as of 3:00 P.M. New York time

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	174.09	−0.10	−0.06	+16.72
Regional Indexes				
Asia/Pacific	99.68	−0.15	−0.15	−19.24
Europe	192.59	+0.64	+0.33	+19.47
N. America	220.17	−1.15	−0.52	+35.93
S. America	151.83	+0.16	+0.11	+32.68
Industrial Indexes				
Capital goods	218.97	+0.98	+0.45	+28.11
Consumer goods	206.77	−1.96	−0.94	+28.09
Energy	197.39	−0.91	−0.46	+15.63
Finance	124.37	+1.13	+0.92	+6.79
Miscellaneous	159.92	+1.61	+1.02	−1.14
Raw Materials	172.95	+1.11	+0.65	−1.39
Service	174.11	−0.67	−0.38	+26.79
Utilities	163.87	−1.48	−0.90	+14.23

The International Herald Tribune World Stock Index © tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News

Wellington
NZSE-40 index: 2402.49 Previous: 2394.29

	High	Low	Close	Prev.
Air N Zeald B	3.39	3.28	3.28	3.35
Brierly Invt	1.23	1.22	1.23	1.22
Carter Holt ord	2.62	2.55	2.60	2.55
Fletch Ch Bldg	4.60	4.50	4.60	4.45
Fletch Ch Eny	6.65	6.56	6.62	6.55
Fletch Ch Forst	1.59	1.56	1.58	1.54
Fletch Ch Paper	2.32	2.27	2.27	2.28
Lion Nathan	3.85	3.80	3.85	3.88
Telecom NZ	8.97	8.80	8.90	8.90
Wilson Horton	10.45	10.45	10.45	10.50

Zurich
SPI index: 3800.57 Previous: 3761.85

	High	Low	Close	Prev.
ABB B	1948	1932	1940	1938
Adecco B	431	423	429	425.50
Alusuisse R	1373	1346	1358	1365
Ares-Serono B	2470	2410	2430	2450
Alel R	N.T.	N.T.	N.T.	800
Baer Hdg B	2585	2526	2530	2470
Baloise Hdg R	2780	2644	2720	2636
BK Vision	1474	1436	1458	1365
Ciba Spec Chem	162.25	159.75	160.50	159.50
Clariant R	1191	1178	1175	1175
Cra Suisse Gp R	225.25	219	220.50	217.50
Elektrowatt B	550	549	550	550
Ems-Chemie	7060	7025	7040	7015
ESEC Hdg	3820	3700	3785	3870
Holderbank B	1320	1280	1296	1298
Liechtenst LB B	563	559	559	564
Nestle R	2159	2128	2130	2133
Novartis R	2381	2348	2350	2339
Oerlikon Buehr R	201.75	198	199.25	201.75
Pargesa Hld B	1810	1795	1810	1795
PharmVisn B	869	854	862	860
Richemont A	1675	1565	1625	1590
Pirelli PC	311	307	311	311
Roche Hdg PC	13720	13540	13535	13650
SBC R	483	457	472.50	447.50
Schindler PC	1710	1675	1690	1699
SGS B	2710	2650	2700	2675
SMH B	850	831	847	840
Sulzer R	995	941	950	963
Swiss Reins R	2375	2330	2355	2344
SAir Group R	2010	1990	2000	1995
UBS B	2220	2125	2145	1930
Winterthur R	1629	1590	1609	1590
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ASIA/PACIFIC

Ssangyong, at Risk of Collapse, Leaves Auto Business

By Andrew Pollack
New York Times Service

SEOUL — In a move that once might have been unthinkable among South Korea's proud business families, the Ssangyong Group sold its automobile company to rival Daewoo Group Monday in what executives described as the first friendly takeover among the country's largest conglomerates.

The sale, the next step in the consolidation of South Korea's crowded automobile industry, capped a swirl of activity as the country continued the makeover spurred by the nation's economic crisis and its rescue by the International Monetary Fund last week.

The giant Hyundai Group, after an arm-pumping rally in its auditorium, said it would slash its capital investment next year by 40 percent, to 3.8 trillion won ($3.1 billion), and mount a massive export drive.

Meanwhile, officials at the Ministry of Finance and Economy said they were preparing to pump what could be about $1 billion in government money into two of the nation's sickest commercial banks — effectively nationalizing them, according to some analysts.

Fears about more failures of financial and industrial companies helped send the Korean won to another all-time low, only days after the IMF rescue that was supposed to stabilize the currency.

The dollar closed at 1,342.50 won Monday, up from 1,230 won Friday. The Seoul stock market's main index plummeted 4.8 percent to 414.83 points, giving up some of the gains it made after the IMF package was announced.

The sale of control of Ssangyong Motor Company to Daewoo, which probably saved Ssangyong Group from collapse, could set a precedent for restructuring of the family-run conglomerates, known as *chaebol*, that dominate the economy here. Now highly diversified, they might focus on fewer industries and sell the rest — either to other chaebol or to foreign companies.

Six of the nation's top 30 chaebol have already failed this year, including Halla Group, which was declared bankrupt Saturday.

Many analysts thought Ssangyong would be No. 7. "We were understandably on the short list, but this should take us off it," Mr. Kim said. "It gives us a huge breathing space."

The purchase price for Ssangyong Group's 53.5 percent share of publicly traded Ssangyong Motor was not announced, but it is expected to be small. What is more important, analysts said, is that Daewoo will relieve the Ssangyong group of 2 trillion won of the 3.4 trillion won in debt of Ssangyong Motor.

On the banking front, Ministry of Finance officials said the government would inject new equity Tuesday into Korea First Bank and SeoulBank, two commercial banks that are basically insolvent from their heavy loans to now-collapsed chaebol.

While ministry officials said the amount of the infusion had not been decided, news reports indicated SeoulBank would get 1.1 trillion won and that Korea First Bank, which was given 800 billion won more than a month ago, would be given 300 billion won.

Investor's Asia

Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	11,722.94	11,527.80	+1.69
Singapore	Straits Times	1,753.63	1,713.77	+2.33
Sydney	All Ordinaries	2,587.60	2,557.20	+1.17
Tokyo	Nikkei 225	16,131.57	16,424.48	-1.78
Kuala Lumpur	Composite	676.47	607.46	+11.37
Bangkok	SET	401.80	388.77	+3.35
Seoul	Composite Index	414.83	435.73	-4.80
Taipei	Stock Market Index	8,402.17	8,243.76	+1.92
Manila	PSE	1,957.21	1,900.06	+3.01
Jakarta	Composite Index	423.61	414.78	+2.13
Wellington	NZSE-40	2,402.49	2,394.29	+0.34
Bombay	Sensitive Index	3,468.19	3,469.08	-0.03

Source: Telekurs — International Herald Tribune

THAILAND: *Firms Shut Down*

Continued from Page 13

Authority, said there had been no reports of resistance when officials seized the headquarters and regional branches of the closed firms.

The companies were shut down despite their powerful backers and numerous attempted rehabilitation plans, Mr. Twatchai said.

Many of the companies had been built up by Thai-Chinese families who used easy credit for pet projects as well as stock-market and real-estate speculation.

On Monday Mr. Twatchai said the closed companies' assets would be auctioned off within a year to pay off depositors and creditors, as required by the International Monetary Fund.

Mr. Tarrin said some of the high-quality assets from the closed companies would be used to create one or two new banks.

The two companies that survived began preparing recapitalization plans that must be submitted to authorities within 90 days.

Kiatnakin officials said the company would raise its capital by at least 1.33 billion baht through new share issues and private placements. Its managing director, Vichien Jiakjerm, said 1,000 clients with deposits valued at a total of 2.5 billion baht had agreed not to withdraw their money and Kiatnakin's 12 foreign creditors had agreed to roll over 2 billion baht in debt for 18 to 24 months after the company resumed operations.

Bangkok Investment said it would sell an 80 percent stake in an expanded company capitalized at 1.31 billion baht to American International Group for 1.05 billion baht.

Malaysian Stocks Leap on Austerity Measures

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — The stock market rose 11 percent Monday after Finance Minister Anwar Ibrahim announced further austerity measures and scaled back expansion plans for the country's national car company.

The benchmark Composite Index gained 11.37 percent, or 69.07 points, to close at 676.47.

Mr. Anwar said in Parliament on Monday that cabinet ministers would take a 10 percent pay cut and that salaries would be frozen for civil servants in other government sectors.

The moves follow an 18 percent cut in government expenditure announced by Mr. Anwar on Friday.

"It's a good signal to investors that they're trying to recognize the problems," Chong Sui San, a fund manager in Kuala Lumpur, told Bloomberg News. "That has eased investor concern."

Mr. Anwar also said the government might suspend part of a project aimed at expanding production capacity at Perusahaan Otomobil Nasional Bhd., the company that produces Malaysia's national car, known as Proton.

The expansion, a large portion of which was to have been for export production, would have doubled the capacity of the carmaker.

But with many Asian countries now counting on increasing exports to emerge from their financial crisis, analysts say there will be tough competition from other countries whose currencies have been devalued.

"Proton can't compete against the Koreans," said Neil Saker, head of regional economic research at SocGen Crosby Securities in Singapore. "They have to cut back capacity."

On Monday, investors bought the blue-chip stocks that were sold off two weeks ago on fears that relatively healthy cash-rich companies could be asked to help rescue ailing ones.

Telekom Malaysia Bhd., the former telephone monopoly, Tenaga Nasional Bhd., an electric company, and the country's biggest bank, Malayan Banking Bhd., led the gains.

"Those are defensive stocks," Mr. Saker said. "They can't really go bankrupt."

Traders said most of the buying in the market Monday had been done by Malaysian institutions but that foreigners seemed to be trickling back into the market as well.

Craig Hodge, a partner at Caspian Securities Ltd. in London, said his office had received orders to buy about $30 million of Malaysian stocks Monday.

"People are still cautious, but they're worried about being too cautious," Mr. Hodge said. Several pension funds had bought shares in the market with an investment horizon of at least a year, he said. "These guys aren't going in thinking things will be rosy in two months' time."

Mr. Anwar also said Monday that hotels would be exempted from certain sales taxes to try to increase tourism revenue and that ministers and civil servants would not be allowed to use travel and holiday allowances to take vacations outside the country.

Tokyo Officials Play Down Bond-Sale Talk

Compiled by Our Staff From Dispatches

TOKYO — The government is unlikely to sell its U.S. Treasury bond holdings to help raise dollars for troubled banks, a source at the Ministry of Finance said Monday.

The source said that if Tokyo were to take measures to raise cash dollars, the bonds would be used as collateral in transactions with U.S. monetary authorities.

Taku Yamasaki, a top policy-making official of the governing Liberal Democratic Party, suggested Sunday that the government might sell some of its huge Treasury holdings to help Japanese commercial banks raise dollars abroad.

Banks have been struggling to obtain such funds because of worries about their health since the collapse of three major Japanese financial institutions last month.

Japan holds more than $300 billion in U.S. Treasury bonds, and with its frail financial system, a big question among market players has been whether it would sell some of its holdings to bail out weaker banks.

But the ministry source and other officials, including Eisuke Sakakibara, the deputy finance minister for international affairs, played down the possibility. Mr. Sakakibara said Japan had enough funds to solve its economic problems, suggesting it did not need to raise money by selling Treasury bonds.

Although a huge bond sale by Japan has long been regarded as a potential nightmare in global financial circles, there are reasons the Japanese would be unlikely to cash out their holdings, even in the current financial conditions: For one, they have historically held on to U.S. bonds in times of distress. In addition, domestic interest rates remain extremely low in Japan, making the U.S. bonds about the highest-yielding asset that institutional investors here have. Finally, regulations that have long curbed purchases of investments denominated in currencies other than yen will change April 1.

"Even if Japan does sell Treasuries," said Eiji Nakaone of MMS International, "Japanese investors aren't going to follow suit; they are still interested in buying Treasuries."

Sonja Gibbs of Nomura International added, "We would discount Yamasaki's hints that the government may sell U.S. Treasuries." Repurchase agreements with the U.S. Federal Reserve System would be "more likely," she said.

In such an arrangement, Tokyo would sell Treasury bonds to the Fed for a set period, promising to buy them back at the end of that period.

(NYT, Reuters, AP, Bloomberg)

Very briefly:

- **India** was warned by Commerce Secretary William Daley of the United States not to reverse free-market reforms because of the Asian currency crisis; Inder Kumar Gujral, the outgoing prime minister, said the country's six-year-old market-oriented campaign had broad support and would be continued by any government formed after elections in 1998.
- **China** launched two Iridium satellites owned by Motorola Corp. and has been contracted to put 20 more into orbit for the company, the Xinhua news agency said.
- **Hopewell Holdings Ltd.** of Hong Kong will not make a scheduled payment of 600 million baht ($14.4 million) to State Railway of Thailand as part of an elevated-rail project; the company cited Bangkok's threats to cancel the project.
- **Toyota Motor Corp.** will shift some of its manufacturing from Japan to two plants in Thailand.
- **Daiwa Securities Co.** will spend as much as 25 billion yen ($192 million) to buy back 50 million of its shares, which have fallen 35 percent in value since the collapse of Yamaichi Securities Co. on Nov. 24.

Bloomberg, AFP, Reuters

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Australia Offers Tax Reforms

Compiled by Our Staff From Dispatches

SYDNEY — The government of Prime Minister John Howard pledged Monday to widen its exemption of a tax earned by investors on securities denominated in Australian dollars, potentially raising the international appeal of domestic investments such as bonds.

The 10 percent tax, known as interest withholding tax, has long been seen as a deterrent to investment. The government said it would "widen the interest withholding tax exemption to encourage the domestic corporate debt market."

The change is part of a 1.26 billion Australian dollar ($846 million) package of reforms designed to lift economic growth and build Australia's position as a financial center.

The package includes more aid for research and development, an expanded program for venture capital and an export market development plan. *(Bloomberg, Reuters)*

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(Continued)

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Germany

A Crisis? Maybe, But Look Again

Economy Works Despite Problems

By Josef Joffe

MUNICH — All the clichés about the German economy are correct. *Payroll taxes — about 80* percent on top of wages — are too high. So are income taxes, so are government expenditures. As share of the total economy, *the latter have risen to 52* percent, which is almost twice as much as in 1950.

Wages are only upwardly flexible; there are no "give-backs" and no significant *differentials* between poor and rich regions, as in the United States. Labor markets are more rigid than icebergs; German entrepreneurs can hire but they can't

NEWS ANALYSIS

fire — unless they go to court, where they lose more often than not, or pay handsome severance fees.

Hence, there is a built-in incentive for underemployment. *Why buy trouble if you can pay overtime?*

German workers don't move from areas where the jobs have departed. Lavish subsidies for declining industries like shipbuilding, coal or agriculture, keep dead jobs alive. An all-providing state hands out enough welfare to keep people comfortably on the dole. Hence, a rational player would rather stay at home than work for, say, 15 Deutsche marks an hour ($8.50).

Nicolas Assouline/IHT

This has bequeathed to the German economy an unemployment rate of around 11 percent. The real rate is closer to 14 percent, if retraining programs and state-subsidized jobs are counted. Hence taxes keep rising, and unemployment, too. This is the vicious cycle of the munificent welfare state.

And yet all *these truisms require a second look. Go to* Germany, and you will not find visible poverty as in the slums of Detroit, Paris or Liverpool. The paradox is not hard to crack. Germany is by no means a full-employment economy. But it is a full-income society. If you add welfare for a family of four to what mom and dad can earn part-time in the growing "shadow economy," the sum total could easily reach 4,500 DM monthly, or 54,000 DM a year. That is take-home, mind you.

That explains the absence of real poverty as well as the crucial stability of aggregate demand. And so, growing unemployment does not engender a snowballing economic crisis.

But there is more. Let's call it "the secret of the camel." This double-humped creature is ungainly, with a lumbering gait and a screechy voice; it smells and seems always to be dozing off. But it is the fastest animal in the desert, with an incredible endurance, and it delivers meat, milk, leather and wool.

The camel is a useful metaphor for the German economy, or "Rhenish capitalism." It is beset by all the failings noted above, and yet it keeps delivering. For instance, this year, growth will end up at 3 percent — not bad when compared to the other advanced economies of the West.

Or look at it this way: After the friendly takeover of East Germany in 1990, aka reunification, the federal government

Continued on Page 21

Impasse in Bonn Colors Campaign

Opposition Blocks Kohl's Reforms

By John Schmid

JENA, Germany — In a global economy that can move with digital speed, Germans increasingly worry that their nation's analog pace of economic change plods perilously slowly.

With 10 months until September's national elections, the political debate is centering almost exclusively on *der Stillstand*, the political paralysis in Bonn that repeatedly thwarts economic change.

"The ability to resist in our society is highly developed," complained Wolfgang Schaeuble, parliamentary leader of Chancellor Helmut Kohl's center-right Christian Democratic Party. "It is ridiculously difficult to push through change."

The Sept. 27 vote is seen by many as the best hope to break the legislative logjam and usher in the sort of radical retrenchment in Germany's postwar political structures that has eluded Mr. Kohl for two years.

Mr. Kohl, who is seeking a record fifth term, is less mighty at home than his international reputation might suggest. His opponents seem to have multiplied during the *Kanzlerdaemmerung*, the newspaper cliché for the twilight years of his political career.

A hard front of resistance from unions, opposition and social activists has defeated his main legislative agenda to overhaul the nation's tax system; cut welfare programs; restructure financing for deficit-ridden state pensions, and charge fees at the nation's underfunded, free universities.

Mr. Kohl has accused the opposition Social Democrats as the party of "blockade," and says they are using the Bundesrat, the second chamber of Parliament which is controlled by a leftist majority, "as a weapon in a power battle."

Stung by charges of obstruction, the Social Democrats last week offered watered-down compromises on tax and welfare initiatives. But even if they are adopted, some economists say they are too minimal to solve any of the problems they are meant to address.

Unions and social politicians "think in principle they can stop the change of the model, that they can hold onto the German model in this new situation," said Lothar Spaeth, former deputy chairman of Mr. Kohl's Christian Democrats, and now head of Jenoptik AG, Eastern Germany's only homegrown high-tech company. "That cannot work."

Mr. Spaeth belongs to Germany's small but loud fraternity of political conservatives who initiated the reforms. They warn that investors will retaliate if Germany fails to adapt to the global economy. Foreign direct investment in Germany plunged last year to a low of 1.14 billion Deutsche marks ($67 million). Investment will continue to drop if Bonn does not attack high taxes, steep labor costs and a tangle of regulations, warns Hans-Olaf Henkel, president of the German Industry Federation.

Some already see undercurrents of change. The welfare state has contracted sharply. A sector of cheap low-benefit jobs have taken root. Unions, after a few bruising defeats, cooperate more with employers. The government has stripped back sick pay benefits and loosened draconian store-hour regulations.

However, in October last year, the opposition to Mr. Kohl's reform program began to harden with a nationwide wave of industrial wildcat strikes to protest the cuts in sick pay

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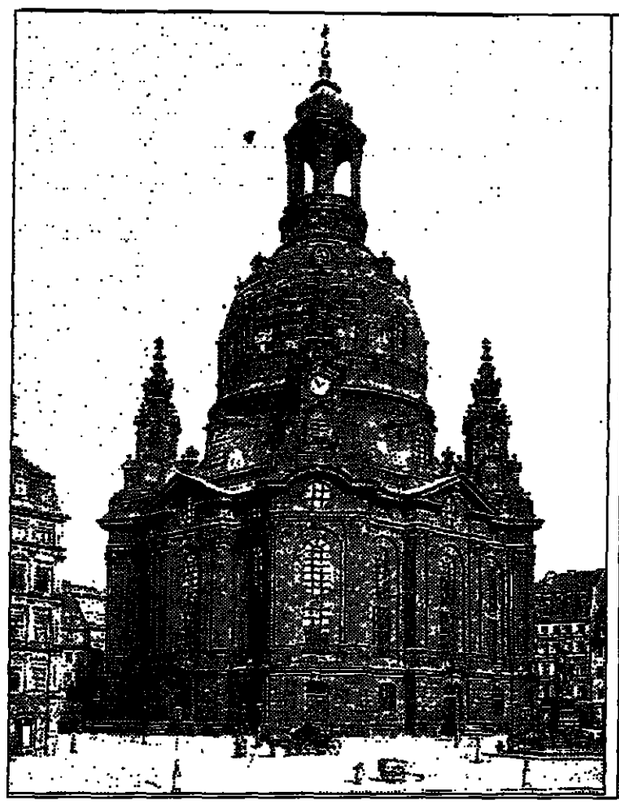

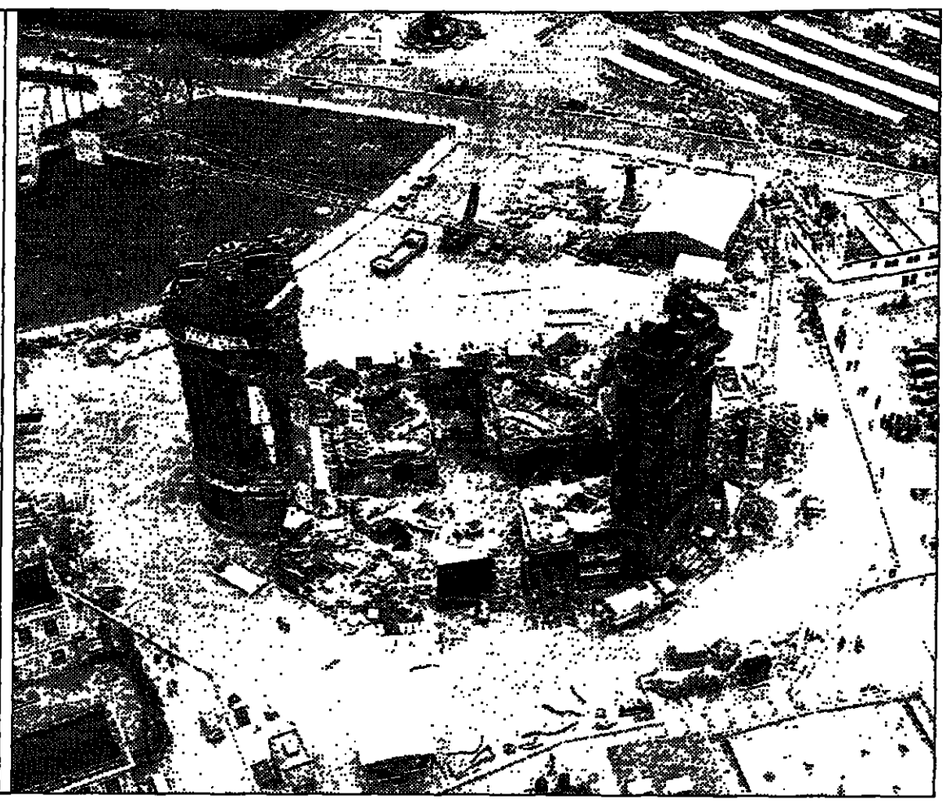

Roger-Viollet

At left, Dresden's Frauenkirche as it was just before World War I; at right, in 1994, after reconstruction work had begun. The cathedral will be reconsecrated in 2006.

In Spirit of Reconciliation, Dresden Recasts Its Past

By John Schmid

DRESDEN, Germany — Concealed behind veiled cathedral-sized scaffolding, masons are building a bold new national symbol here. Stone by hand-chiseled stone, they are creating a replica of the majestic Frauenkirche, the Church of Our Lady, in the heart of this once-resplendent city.

During World War II, Dresden was almost completely destroyed in American and British bombing raids that began in the night of Feb. 13-14, 1945, in an effort by the Allies to break German morale. The cathedral withstood the impact of the first raids and the huge conflagrations they unleashed but on Feb. 15, it fell. At 10:15 A.M., witnesses testified, the sandstone dome crashed. Overnight, the shattered Frauenkirche became a blackened symbol of destruction and suffering.

Today, many Germans are hoping that a reconstructed Frauenkirche will join the Brandenburg Gate and the ruins of Berlin's Gedaechtniskirche as an internationally recognized symbol of their peacefully reunified nation.

The church is meant to reflect the end of division, both in Germany and across Europe, and the dawning of a new era of European unification. Germans see their country as the linchpin in a democratic continent, as a country that worked steadily throughout the second half of the century to unify Europe after the conflicts of the first half of the century.

It will stand as a testimony to the dark stains of the past since the black stones of its ruins will be deliberately reset into the new warm ochre sandstone walls, leaving visible imperfections. "We will avoid any illusions that this church was ever destroyed," said Eberhard Burger, the project's construction director.

"We are not just rebuilding a church," said Hartwin Haas, an official from Dresdner Bank in Frankfurt, which is the main *sponsor of the restoration.* "The *Frauenkirche is a symbol for* overcoming the separation of the world, the separation of Europe."

The cathedral will be reconsecrated in 2006, the 800th anniversary of the founding of Dresden.

The decision to undertake the restoration was deeply controversial. Some Germans objected that any manipulation of the bombed cathedral's stones would desecrate them.

In fact, in the early years of unification, the majority of Dresden's burghers refused to let anyone touch them, Mr. Burger said. Removal of the rubble was considered by some as a failure to confront history.

German writers and thinkers were divided by the question of what to do with the Frauenkirche. Vehement appeals were made to conserve the ruins just as Berliners after the war had conserved the ruins of their church, the Gedaechtniskirche.

At the very most, many wanted merely to reinforce the Frauenkirche's ruins, which were in danger of collapsing. Others insisted that the 250 million Deutsche marks ($147 million) needed for the restoration would be better spent in subsidizing new jobs after unification had wasted East Germany's industrial landscape. Yet another group, dizzy with too much postunification change, wanted to keep the ruins for the sake of nostalgia.

Even the Communists, who had first cleared the city's postwar rubble, had dared not touch the stones. In a prickly reminder to lay off, the church's first preservationists just after the war had planted rosebushes all over the ruins.

The long preservationist fight ended with an agreement to incorporate as much of the old stonework as possible into the new church. Each stone has been painstakingly excavated,

Continued on Page 22

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Armed Forces Surpass Expectations

While Other Europeans Downsize, German Military Moves Into Lead

By Joseph Fitchett

BONN — Germany's armed forces continue evolving to fulfill their role as Europe's largest army, perhaps faster than most observers had expected.

"But I suppose normalcy is not news, or at least not considered newsworthy these days," a German diplomat at NATO headquarters said in a slightly caustic tone apparently designed as a reminder that foreign correspondents used to press stethoscopes constantly to the flanks of the Bundeswehr, as the military is known, to find troubling symptoms.

Those close check-ups now seem remote after several years in which the German forces — and Volker Ruhe, the activist defense minister — have consistently beaten their own timetables in making the military strength of reunited Germany into a reliable, increasingly "normal," part of Europe's arsenal.

When Mr. Ruhe said recently in the German Parliament that, "If there is another war now in the Gulf, the Bundeswehr will be involved in an active role," the announcement was greeted with mild applause. Five years ago, at the time of the last Gulf war, ordinary Germans were hanging white sheets out their windows to protest against Western violence. The government felt it prudent to hide the dimensions of how much logistical help Germany was giving the U.S.-led coalition — which in fact was almost a NATO operation.

Significantly, Mr. Ruhe's own national stature is rocketing now, according to diplomats in Bonn. His hard-charging tactics, which initially raised many hackles, are now credited with accelerating political acceptance of an expanded military role, something that 72 percent of German public opinion now likes, according to a recent poll.

But this "normalcy" can be slightly deceptive unless it is examined against the background of military trends in other European countries. The news is usually less upbeat, more likely to center on problems — ebbing public support, political confusion, downsizing of forces.

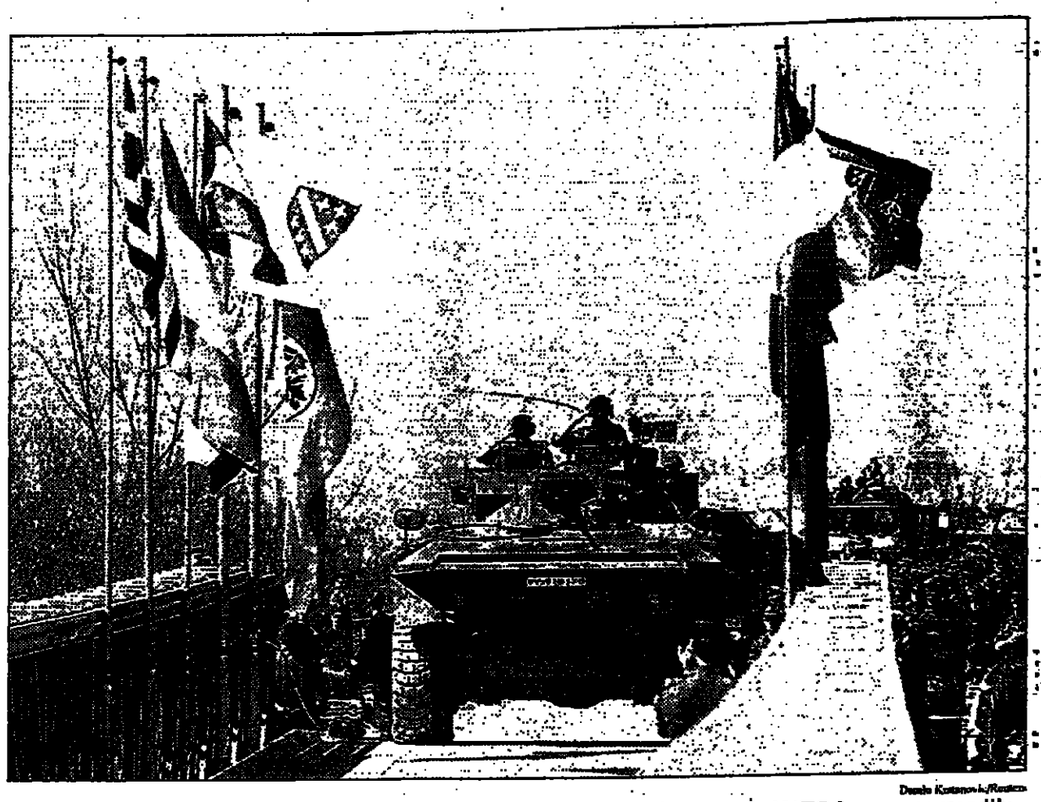
As a result, Germany, with its normal behavior, is moving steadily into the position of Europe's leading military force — a role congruent with the country's size and weight in most national dimensions. Nonetheless, it is instructive, officials of the North Atlantic Treaty Organization said, to take note of some trends. They include:

• Germany will keep its current 3,000-man contingent in Bosnia next year if, as seems likely, the present operation is extended. The United States and other coalition members will probably stay but with fewer troops. The effect will be to increase the proportional strength and therefore authority of Germany's unit in the new phase, to be called DFOR, the Deterrent Force, that would succeed SFOR, the now-ending Stabilization Force.

• The political context about Germany's military role is changing faster and faster. Just this month, both the center-left Social Democrats and the Greens decided to rewrite their platforms, ahead of next year's parliamentary elections, in order to expunge most of their remaining qualifications on foreign missions by German armed forces. Both parties had been expected eventually to fall in behind Chancellor Helmut Kohl's Christian Democrats, but the timing surprised many observers in Bonn. It reflects these opposition parties' sense that public opinion is changing.

• The defense budget in Germany, while still being held down in order to meet the criteria for the European single currency, continues to support a large conscript army — 350,000 men, dwarfing other European members of NATO. It also still finds the money for purchases like the Eurofighter, the fighter-bomber approved this month. In contrast, most other European countries, especially France, have seen their defense spending fall drastically. As a result, Germany has large well-equipped forces that can balloon to one million men if reserves are used. Its military budget will start to rise, according to officials in Bonn, as soon as the monetary hurdle has been cleared.

Inevitably, these trends in military power and budget strength are expanding Germany's stature in NATO. That prospect has been dramatically enhanced in the last year as France stumbled in its bid to return to NATO in a leading role. Going farther than any other ally in practicing NATO's plan for multinational organizations, Germany has now distributed all its divisions among multinational corps, including the French-German one, a German-American one and a Dutch-German one.



Danilo Krstanovic/Reuters

A German armored personnel carrier on a bridge in Bosnia. Germany's stature in NATO has grown steadily.

Next will be a German-Danish-Polish unit to be headquartered in Stettin, Poland, the first NATO unit to cross the old division of Europe.

Certainly, it is Germany that is taking the European lead in the arguments with Washington over who is and who is not doing enough. Bosnia is the cutting edge in that discussion these days.

Along with Britain, Germany still seems to be the European country campaigning most effectively to convince the U.S. Congress of the need for a continuing strong U.S. presence and role in Europe.

JOSEPH FITCHETT is on the staff of the International Herald Tribune.

Euro Skepticism Aside, Germans Stake Identity on European Integration

By Barry James

BRUSSELS — To a greater extent perhaps than anywhere else on the Continent, Germany has built its policies and its very identity around the idea of European integration.

The successive developments leading to the present 15-member European Union — the European Coal and Steel Community, the Common Market and the European Economic Community — have all been viewed in Germany as positive elements in the nation's postwar reintegration and economic recovery.

The creation of a united and prosperous Continent has been as central to the policies of Chancellor Helmut Kohl as it was for his predecessors. Mr. Kohl has put his prestige and his political survival behind the proposed European single currency.

Older Germans are haunted by the memory of rampant inflation, and persuading them to give up the mighty Deutsche mark in favor of an untested new currency has not been easy. There is still considerable skepticism about the euro, which will become the official currency of qualifying countries in January 1999. But no German politician of any stature opposes the currency, and public acceptance of the idea is slowly gaining ground.

This is largely due to the fact that the euro will be introduced on German terms, with a powerful and independent European Bank in Frankfurt replacing the Bundesbank, buttressed by a stability pact designed to ensure that countries adopting the euro stay on the path of fiscal rectitude and low inflation.

The sense of many Germans that their economy was superior to others has taken several hard knocks recently. The much maligned "Club Med" countries, Italy, Spain and Portugal, have made prodigious efforts to meet the criteria for joining the euro. At the same time, Germany has had considerable difficulty in meeting the key target that the public deficit in 1997 should not exceed 3 percent of gross domestic product. Its unemployment rate remains high and intractable. As a result, the countries adopting the euro next year will do so on much more equal terms than would have been thought possible only a few months ago.

The move toward the new currency has required a high degree of skill in handling the relationship with France, Germany's key partner within the EU. The Socialist-led French government takes the view that the euro will be difficult for people to accept unless its introduction is accompanied by the building of a "social Europe" that pays greater attention to the need for jobs and security.

France has accepted that the European Central Bank should be at least as independent as the Bundesbank. This means that the bank will determine interest rates and, in effect, dictate monetary policy, leaving budgetary policy as the only economic lever in national hands.

Germany, however, has with some reluctance accepted France's long-standing demand for some form of economic government to be set up as a counterweight to the central bank, under the terms of the Maastricht treaty on European union.

The result will be an informal Euro Council confined to the 11 countries expected to join the single currency. However, Germany has insisted that all economic decisions must be made by the finance ministers of all 15 EU states.

The main outstanding issue between Paris and Bonn is France's demand that the president of its national bank, Jean-Claude Trichet, should head the European Central Bank, rather than the Dutchman, Wim Duisenberg, who had been expected to get the job.

Although Mr. Trichet is highly qualified, there is a risk that his appointment would be seen as a political concession that could be interpreted as a dilution of the guarantee that the European Bank will be independent.

Germany also views its relationship with Britain as being particularly important. The British prefer to wait and see whether an initiative, such as the euro, is useful before taking part. The Germans take the longer, more philosophical view. For them, the EU is much more than a utilitarian trade bloc. Nevertheless, Germany wants Britain to be an effective partner within the EU, forming a strategic triangle between Bonn, Paris and London.

On the incorporation of Eastern and Central European countries into the EU, Germany views enlargement as vitally necessary to secure markets and export stability toward the east, and thus avoid damaging economic and political problems on its doorstep. With its own system of highly autonomous lander, Germany has no problem with a certain federalizing idea of a European Union that could within a generation contain as many as 26 members.

BARRY JAMES is on the staff of the International Herald Tribune.

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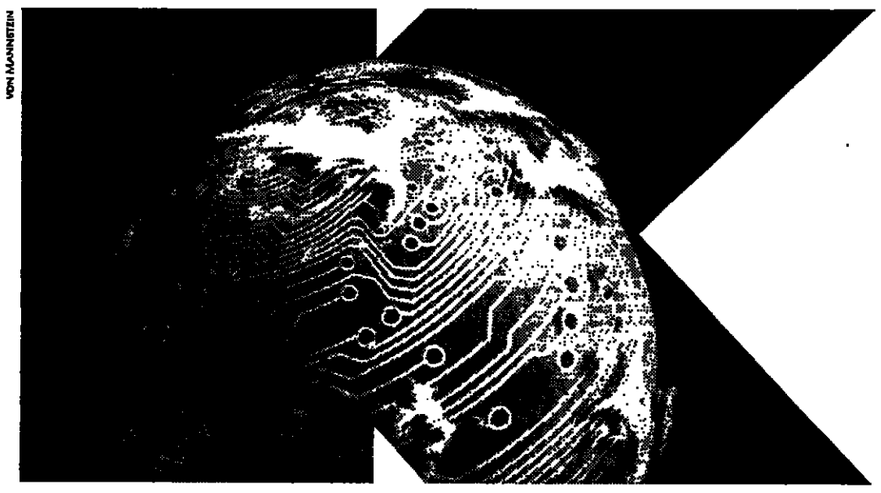

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Reassessing U.S.-German Friendship

Behind Facade of Harmony, Nations Are Far Apart on Some Basic Issues

By John Dornberg

MUNICH — Judging from the photo opportunities and what the spin doctors say, things have never been better in the relationship between Bonn and Washington — thanks to the close personal ties between Chancellor Helmut Kohl and President Bill Clinton.

The two, despite the lack of a common language in which to communicate, have bonded. And the adhesive seems to be more than their lusty appetite and heaping platters of veal and fettuccine that they share at Filomena, a popular Washington eatery. The word is that they actually like each other, and the reason may be that they have a lot in common. Both spent years earning their political spurs in the provinces before becoming national leaders; they are political animals to the core, and both are repeatedly underestimated by their opponents and rivals. The chemistry is right.

Compared with the personal acrimony between American presidents and German chancellors of times and administrations past — Konrad Adenauer and John Kennedy, Ludwig Erhard and Lyndon Johnson or Helmut Schmidt and Jimmy Carter — that is a salutary development.

But is that enough to keep the German-American relationship trouble-free? Apparently not, to judge from some of the behind-the-scenes rumbling and gnashing of teeth during the past year or so.

Root cause is that some of the fundamentals which used to be the glue between Bonn and Washington have changed since the beginning of the decade.

One fundamental was the security interdependence of the Cold War. There has been no need for that since the collapse of communism, the end of the Cold War and Germany's reunification. Germany is no longer the front-line state of the Western alliance, as evidenced by the withdrawal of more than 250,000 U.S. troops and the disappearance of the American military presence in former garrison cities such as Munich, Frankfurt and Berlin. It happened gradually over several years but it marked the end of a 50-year era.

Moreover, both countries have developed a different self-perception.

Germany is no longer content with being "an economic giant and diplomatic-political dwarf," but has begun asserting itself as the most powerful European country, with national interests of its own. Bonn expects to be treated as a major player. Permanent membership on the UN Security Council, presumably with a veto, is a priority foreign policy goal of the Kohl administration.

The United States, on the other hand, as the remaining global superpower, has also become more assertive, either looking out for its national interests or at least the domestic political interests of the Clinton White House in permanent confrontation with a Republican Congress.

Moreover, as U.S. priorities have shifted to Asia and Latin America, the American foreign policy establishment's interest in Europe, especially Germany, has waned.

Among the symptoms are the decline in parliamentary exchanges and, although budgetary restraints are given as the reason, the closure within recent years of nearly every "*Amerika Haus*."

Against this background, minor irritations in relations can quickly escalate.

Some of them are tempests in teapots. The most ludicrous is tacit State Department backing of the claim that Bonn is discriminating against the Church of Scientology, and the recent House International Relations Committee draft resolution calling on the White House to censure Bonn for its stance on Scientology. It was only when the House as a whole voted against the measure that the air cleared.

"But there are a number of major issues on which we are far apart," as Foreign Minister Klaus Kinkel put it following meetings with Mr. Clinton, Secretary of State Madeleine Albright and Defense Secretary William Cohen in Washington early in November.

Among them are the U.S. position on the abolition of land mines; reduction of greenhouse emissions at the Kyoto world climate conference; trade and the so-called "critical dialogue" with Iran; relations with Cuba and implementation of the Helms-Burton Act; extending the mandate of the NATO-led Stabilization Force in Bosnia beyond the summit meeting.

JOHN DORNBERG is a journalist based in Germany.

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GERMANY / A SPECIAL REPORT

New Generation, Casting Aside Traditional Mistrust, Plunges Into Equities

By Rick Smith

AS the world's markets get choppy and challenging, the behavior of novice investors is crucial — and in Germany there are plenty of novice investors.

According to the Federal Association of German Investment Companies, the amount managed in equity funds surged 90 percent over the past 12 months, to 115.5 billion Deutsche marks ($66 billion). Many of these investors are seriously dipping into equities for the first time, analysts say.

With fund flows of this magnitude at stake, not only banks and finance companies but the government itself is in the process of taking a hard look at ways to make investment as flexible and responsible as possible.

Whether or not the new investor has the mettle to sit tight through market downdrafts, it is clear that major tectonic plates are shifting in Europe's largest and richest market that could channel a steady flow of new funds into German equities.

Some of the shifts are variations of ones that are also transforming the United States, Japan and the rest of Europe.

Most conspicuously, there is the explosion in choice and efficiency of investment vehicles that has been made possible by the microchip. And, in the background, in Germany as elsewhere, there is the growing fear that cash-strapped governments will cut retirement benefits in the coming decades and that a failure to invest now could lead to personal financing problems in the future.

But one key shift is peculiarly German.

The country is now being run by the *Erbengeneration*, the so-called "generation of heirs" and Germany's first generation in this century that has had the luxury of inheriting money. Two wars and a bout of hyperinflation effectively wiped out the middle class and dispersed most wealth to the point that the survivors of World War II were mostly starting from scratch.

Among that generation's many scars, there was a deep-seated association between inflation and broader social chaos. The result was a central bank with a near phobia of inflation and, as a result, it has created and nurtured one of the world's bedrock currencies.

But the experience also left a population distrustful of markets in general and a legal system and financial infrastructure highly geared toward protecting investors rather than giving them flexibility or choice.

That reflex was heightened in the 1970s when Germany became a prime marketing target for Bernard Cornfeld's Investors Overseas Services, known as IOS, the mutual fund group that collapsed and took with it the savings of many small investors throughout the world.

"German legislation is terribly protective as a result of the IOS scandal," said a manager at Robeco, the Dutch fund group that is active throughout Europe.

The impressive savings of the postwar generation have now passed to a generation that also finds itself in prime earning years — and in charge of the country.

Not coincidentally, some of the country's most extensive changes in legislation affecting investment have occurred in the last few years or are in the process of being put into effect.

On April 1, 1998, for example, in a major innovation, the government will give its final green light to a new category of investment fund designed for retirement savings.

Such funds in the past reflected the country's general caution, especially when it concerns retirement, and were largely focused on bonds or savings. But the new funds will have over half of their assets in stocks and real estate. They will be allowed to hold as much as 75 percent of assets in stocks and will also be allowed to use derivatives in some circumstances.

"They will have the effect of providing support for the German market and encourage a broader public to have a stake in the country's productive capital," said Guenter Schardt, an official with the Federal Association of German Investment companies.

They will also be tailor-made to fit individual needs and will be designed to encourage investors to make steady if small contributions.

To be sure, the idea of exposing long-term savings to the greater rewards and risks of stock markets is still not acquired overnight. What is motivating most savers, and even wealthy ones, is genuine fear about retirement income.

"It is inevitable that the German government will have to trim benefits and it is already looking at possible cuts," said Eckhard Bergmann, a spokesman for DWS, the retail fund-management arm of Deutsche Bank AG in Frankfurt.

The bank has calculated that the average German should raise his savings by 3 percent to 5 percent if the government cuts benefits, as has been recommended, to 64 percent of one's last salary level from the current 70 percent.

RICK SMITH is on the staff of the International Herald Tribune.

Leaner Volkswagen Has Last Laugh

Automaker Confounds Its Critics by Streamlining and Making Money

By John Schmid

FRANKFURT — Few companies have been shackled with as many of the disadvantages of operating a business in Germany as Volkswagen AG.

Its flagship Wolfsburg autoworks, built in 1938 for the original Beetle, are among the oldest in use in Europe. It has a bloated work force and a "no dismissals" policy, thanks to a majority of unionists and Social Democratic politicians on its supervisory board. The 1993 recession laid bare its inefficient operations, leading to jokes that Volkswagen could not make both cars and money at the same time.

Today, Volkswagen has disproved its critics. It is leaner, meaner and it makes money.

Along with other German automakers and much of Germany's once-struggling manufacturing industry, Volkswagen has undergone a quiet revolution. Cynics who dismissed Germany's high-wage, high-cost industry only a few years ago are no longer so quick to scoff.

Stung by low-wage competition abroad, Germans increasingly have mastered the new rules of the global economy: cut costs relentlessly, decentralize, rewrite labor contracts, introduce performance-linked pay, step up foreign investment and streamline assembly.

This was accomplished, analysts said, without forfeiting Germany's reputation for premium craftsmanship.

"Germany has restructured, no doubt about it," said Hans-Peter Wodniok, an analyst in Frankfurt at Credit Lyonnais Securities. "Industry is in much better shape than it was in five years ago." The industrial revival extends beyond automakers. Chemicals group Hoechst AG, steelmaker Krupp Hoesch AG, electrical conglomerate Siemens AG and tire manufacturer Continental AG can point to radical retrenchments that extend from the shopfloor to the boardroom.

The retooling has allowed Germany this year to reclaim its title as a world export champion. After several years of declining world market share, total German exports are expected to grow 10 percent this year, outpacing the expansion of world trade, according to the Bonn-based BGA German Trade and Wholesaling Industry group. "In 1997, Germany's world market share will grow more strongly than world trade for the first time in a long time," said the BGA president, Michael Fuchs.

Leading the export boom are the freighters steaming out of Hamburg and Bremen with German-built cars. Passenger car exports are up 7 percent in the year through October, based on figures from the VDA German Automobile Association, the main industry trade group, even as new car registrations in Germany have stagnated. Since the start of last year, Mercedes-Benz and Volkswagen have seen exports surge 25 percent.

The Mercedes-Benz auto operations at Daimler-Benz AG last year won the prize of Europe's most profitable automaker with Bayerische Motoren Werke AG in second place.

"German industry, primarily VW, BMW and Mercedes, have surprised everyone with their ability to change and their reaction to market forces," said Earl Hesterberg, vice president of sales in Amsterdam at the Japanese rival Nissan Europe NV.

The renewed export confidence came only after a painful restructuring that cost one in every seven German autoworker jobs since 1993. Throughout Western Germany, nearly 2 million industrial jobs have disappeared since 1991, driving national unemployment to record levels.

According to the VDA trade group, layoffs in the auto industry have finally bottomed out. For the first time since 1993, German carmakers this year are adding jobs at home again, although only a fraction of those lost. Volkswagen canceled its traditional summer factory holidays and kept plants open in August to meet demand rather than idle them for annual monthlong vacations. Porsche is operating at capacity at its Stuttgart plant and has licensed extra assembly-line volume in Finland and Mexico.

TO be sure, German autoworkers remain the highest-paid in the world, corporate taxes are steep and regulations unwieldy. But based on market share, production, earnings and sales, the Germans measurably have managed to move to the front of the pack compared to other European competitors.

BMW, Daimler-Benz, Porsche AG, Volkswagen and Volkswagen's Audi AG performance car subsidiary have all reported increases in sales, production and earnings in the first half of 1997. Daimler's half-year operating profit more than doubled to 1.85 billion Deutsche marks ($1.05 billion); BMW's six-month net profit rose 30 percent to 435 million DM while net profit at the Volkswagen group leapt 73 percent to 488 million DM.

The most dramatic turnaround came at Volkswagen, led by its chairman Ferdinand Piech, who started his career as designer of the original Porsche 911 engine. Under Mr. Piech, Volkswagen avoided mass layoffs in 1993 with a four-day workweek. Without reducing staff, as Daimler did by the thousands, few expected the company to attack its high costs.

Today, VW's factories may be still overstaffed but costs are falling, even as VW adds 3 percent more workers in Germany. Volkswagen used its natural advantages as a multinational: it forced flexibility on local management and unions by threatening to move assembly of new models to its low-wage plants in the Czech Republic, China or Mexico.

MANAGEMENT squeezed per-car production hours into what VW calls "efficiency perimeters." The new generation Golf IV, launched this year, can be produced in 20 hours, down from 32 hours for the current model. With fewer man-hours, the cost for the stripped-down version is 25,700 DM, 360 DM less than the outgoing generation Golf.

Streamlining operations further, VW standardized the undercarriages for all its brands — VW, Skoda, SEAT and Audi — to four from 10. With only four platforms, the company needs only four kinds of clutches, whittling costs and sweetening terms on supplier contracts. Costs will fall 30 percent in the process.

As a result, Volkswagen plans to add new models and extend its range beyond its core fleet of hatchback and mid-range passenger cars. By 2001, Mr. Piech plans to offer 51 new models, up from the current 38, including such novelties as a two-seat sportscar and a 12-cylinder super-luxury limousine.

"We certainly make no mistake that the Germans are very powerful competition, and if you do not respect them, then I think you are foolish," said Mr. Hesterberg at Nissan.

Wolfgang Thieme/Agence France-Presse

Workers at Volkswagen's plant in Zwickau, eastern Germany. Per-car production hours have been cut back.

Decoding Secret of German Success

Continued from Page 19

has been pumping about $80 billion annually into the East. That is what the entire Marshall Plan bestowed on 15 West European countries over three years. An economy capable of so gargantuan a handout year after year must produce a lot of "surplus value," as Marx would have put it.

German workers work fewer hours than anybody else in the OECD world. And yet, when they do, they probably work harder than anybody else, too. Productivity in Germany grows at about the American rate — not great, but not dismal, either.

Let's look at the stock market which doubled in the last 18 months, and at corporate profits that keep soaring, too. Surely, this twin rise reflects the same fundamental trends as in the rest of the West: downsizing, "lean production," ruthless modernization, outsourcing at home and abroad. In Germany, though, you don't see the fallout so clearly because the losers enjoy a soft landing in a tight-meshed welfare net.

How about the "concentration of capital," to use another Marxian shibboleth? "Hostile takeovers" are verboten by habit and tradition, so when Krupp tried to grab Thyssen earlier this year, the nation rose up in arms. Now that the merger is "friendly," there is only one issue left: Who gets to be the boss of the fused duo, the guy from Krupp or from Thyssen?

The German banks are lazy and fat, right? Look again. Though they slept through the 1980s, when Wall Street went through an orgy of mergers and acquisitions, takeovers and restructuring, there isn't one German megabank left now which hasn't acquired a U.S. or British investment house in order to catch up.

The camel always requires a second look, and so does "Rhenish capitalism." On the surface, Germany never moves, and it seems to obey an unwritten social contract that says: "Nothing must change — social peace *über alles*." But how the country really works is nicely illustrated by the following true story.

A visitor, arriving after 5 P.M. at BMW headquarters in Munich to visit a highly placed personage on the penthouse level, rises in his elevator through floor after floor cast in darkness and eerie silence. His host explains: "The Betriebsrat (works council) has nixed after-hour work and overtime."

So how did BMW manage to compete so well with U.S. and Japanese carmakers if its engineers have to shut their computers at 5 P.M. sharp? "They take their disks home and continue there, which no Betriebsrat can forbid. Because they know that the health of the company, and their jobs, depend on it."

The moral of the story? The camel is smarter than it looks, and it is wise about the ways of the desert.

JOSEF JOFFE is editorial page editor of the Süddeutsche Zeitung in Munich.

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Subsidy Cuts Threaten To Darken Opera Houses

By Roderick Conway Morris

MUNICH — A high regard for music in general and opera in particular runs clear across the political spectrum in Germany, and both sides of the once-divided nation used to spend very substantial sums subsidizing concert halls and opera houses. Opera companies could routinely expect 80 percent or more of their budgets to come from government subsidies.

But the worsening economic situation and cuts in public spending since reunification now threaten many of the country's 90 or so houses with drastic reductions in their programs or even closure — holding out the prospect that in many places the typical well-attended evening at the local opera house, and all the cultural and social ritual surrounding it, may become a rarity or thing of the past.

"There's still a broad consensus here that opera is really something that makes life worth living, and that far from being a luxury, it is one of the cornerstones of the German cultural tradition," said Peter Jonas, former director of the English National Opera and now artistic and administrative director of the Bavarian State Opera. "So, whereas if a politician in Britain gets up and says grants for the ENO or Covent Garden should be cut, there are plenty of people who will say: 'Jolly good thing, too, why should we subsidize seats for toffs?' in Germany the majority still think it's right and proper for the state to support opera."

Mr. Jonas added, "And as taxation is very high here, people also feel that if they do go to the opera, they have to a large degree already paid for it. And this makes it extremely difficult to raise the prices of seats to compensate for the loss of help from the state."

Alard von Rohr, director of opera at the Deutsche Oper in Berlin, also said there was very strong resistance to price rises. "We have already put them up, but if we put them up more we will have empty seats and lose revenue. We have the additional problem in Berlin that people from the former GDR were used to paying 5 to 10 Deutsche marks for a seat at the opera and now have to pay 10 times more," he said.

The Deutsche Oper presently has a budget of 90 million DM, about 10 million DM of which comes from the box office. Their subsidy has been cut by 3 million to 4 million DM a year since 1994, and the total reduction will be at least 20 million DM by 1999. "We have tried everything possible to reduce our costs, including hiring less expensive singers and spending less on productions, and so on, but it is very difficult to see how we are going to manage in the future," said Mr. von Rohr.

The crisis is, if anything, more acute at the Deutsche Staatsoper in Berlin. Once the Royal Opera, it was the leading house in East Germany. With Daniel Barenboim as its artistic and general musical director, the house and its orchestra continue to enjoy an outstanding international reputation. Its total budget is about 114 million DM, 90 million DM of which is received in subsidies. Subsidy cuts between 1994 and 1999 are expected to amount to 55 million DM.

"We have balanced our books for this year, but to do so we have had to cancel three important new productions," said Stephan Adam, the Staatsoper's assistant director. "We have already cut 137 staff and, regretfully, scrapping new work was the only way we could make ends meet without sacrificing the quality on which our name depends. We have already increased seat prices, but don't want to create a situation where only the rich can afford to go to opera."

As the cuts have bitten deeper, Mr. Jonas and his colleagues in Munich have adopted a strategy of offering their own detailed cost-reducing package rather than waiting for cuts imposed from above.

"The general edict from the Finance Ministry is that every area of the public sector must cut its spending by 10 percent by the year 2000. But how do you cut 10 percent of two harpists or a horn group?" Mr. Jonas asked.

Mr. Jonas said that the Bavarian State Opera was in an unusual position because it was written into the Constitution that one of the primary objectives of the Bavarian state is to promote culture. Nonetheless, its subsidies were cut by 2 million DM in 1995 and 2.5 million DM in 1996. Mr. Jonas said they had proposed to make their own cuts of 2.8 million to 3.8 million DM, losing 22 jobs over the next 3 years. Bavarian State Opera's case has been helped by an exceptionally healthy box office. He said, "During the 31 days of our opera festival alone we took 8.3 million DM, a rise of 1.5 million over the record festival takings of the year before. We also have the advantage of having 2,100 seats, whereas the Deutsche Staatsoper, for example, has only 1,225. So we're on course to hit 40 million DM in revenue this year, out of a total budget of 128 million."

"Our package has been accepted by the Bavarian cabinet," Mr. Jonas added, "but something of a tussle has developed between them and the Finance Ministry, which argues that there should be no exceptions to the 10 per cent across the board target. But we're cautiously optimistic that our solution will be accepted as reasonable."

"To our minds there is nothing worse than letting the opera house go dark," said Mr. von Rohr at the Deutsche Oper in Berlin.

RODERICK CONWAY MORRIS is based in Venice.

Horst Wilddeid

The Munich opera house, where an evening out is a popular social ritual.

Berlin's Still Out of Tune In Quest for New Image

By Joseph Fitchett

BERLIN — As construction thunders ahead, Berlin seems confident of having a colossal new skyline ready to welcome the German government when it arrives in two years.

But Berlin, haunted by its history, still seems deeply uncertain about how to visualize its own future as the capital of a new Germany and a major metropolis in a united Europe.

Many intellectuals and politicians oppose sweeping architectural ambitions that they fear will erase the traces of evil in the ex-Nazi capital. But an assertive new generation insists that the nation has paid for its crimes. It believes that Berlin should be a new frontier, a capital for Germans no longer burdened by historical guilt; developers and builders often claim to represent these views.

These quarrels, which have occupied Germany for five years, are becoming irrelevant as builders work to meet the 1999 deadline. Shouldering aside questions about the city's historical memory, the developers have imposed kitschy treatments of the monuments of old Berlin and framed a new Berlin with sterile concrete-and-glass skyscrapers.

With Germans still in flux about their future self-image, the nation seems unready anytime soon to stamp political symbolism on Berlin. But there is an obvious potential cornerstone in Berlin's widely acknowledged reputation as the world capital of classical music.

It is only a small leap to imagine Berlin thinking about itself as a capital based on the idea of meshing politics and culture. The idea comes to mind among a group of people who often think of themselves as honorary Berliners: classical musicians. Their views are rarely aired in public. But some candid exchanges about Berlin and its international image emerged behind the scenes during the annual festival organized by Berlin's Staatsoper, which invited the participation of a leading French symphony orchestra, the Orchestre de Paris.

For musicians, Berlin is already "the world capital of classical music," according to Daniel Barenboim, the pianist and conductor, currently musical director of the Chicago Symphony orchestra and the Staatsoper.

Berlin remains unmatched in musical richness, even by New York or Vienna, musicians say, pointing out that Berlin rose to the top run in classical music in the decade before World War II and never lost its commitment to musical greatness, even during the city's most terrible hours.

The encounter in Berlin also prompted prominent Europeans and Americans to talk candidly — and sometimes heatedly — about international views on Berlin. When asked whether the city's role as musical capital could provide a basis for Berlin to become a self-confident, magnetic European capital, some musicians, such as Mr. Boulez, were gently skeptical.

In private, another virtuoso was vehement in rejecting suggestions that could command international loyalty, even in music. "No one can ever really want to perform in Berlin after what this city stood for," he snapped. "I'm here out of formal respect for reconciliation, but I never buy anything German if I can help it."

In contrast, Mr. Barenboim, an Israeli citizen born in Argentina, predicted that Berlin will command international homage if it sets the pace in classical music.

In a Spirit of Reconciliation and Unity, Dresden Reconstructs Its Cathedral

Continued from Page 19

tested and then stored. Up to 20 percent of the stonework will be original. Reconstruction work began in 1993.

The black-sooted stones carry much symbolic weight. In the 1980s, they came to represent East Germany's pro-democracy movement. Beginning on Feb. 13, 1982, on the anniversary of Dresden's 1945 firebombing, pro-democracy demonstrators distributed illegal pamphlets in front of the church. The event was repeated every year until the 1989 revolution which led to the downfall of the Communists. "They laid the cornerstone for the first peaceful and successful freedom movement in German history, in a nation that is truly poor in terms of successful freedom movements," said Professor Klaus-Dieter Henke, a historian at Dresden University.

Reinforcing the cathedral's symbolic place in German hearts, Chancellor Helmut Kohl, in December 1989, one month after the fall of the Berlin Wall, chose the ruins as the site for his first visit to East Germany and addressed a crowd from a makeshift platform in front of the rubble.

"This was the first occasion when Kohl, the politician, could feel, instinctively, that a rapid unification was within his grasp," said Professor Henke.

On Feb. 13, 1990, a group of Dresden residents launched the appeal for the reconstruction of the church.

Significantly, the church's 18th-century roots are linked to a democratic groundswell of sorts. The citizens of Dresden, in defiance of the city's Catholic king, Augustus the Strong, initiated the construction of what was to become Europe's biggest Lutheran church. Construction began in 1722 and ended in 1743.

Inspired by Martin Luther's defiance of papal authority, the church's architect Georg Baehr rejected conventional "longship" cathedral design that thrust churchgoers to the rear. Instead, Baehr built an airy temple with an elevated central pulpit surrounded by four massive pillars that supported a rounded interior with curved tiers of balcony like an opera house. He wanted all the benches to be as equidistant to the center as possible.

The cathedral witnessed the golden age of German culture. Johann Sebastian Bach routinely came from Leipzig to play the organ, one of the biggest in Europe. The rich acoustics lured Richard Wagner, who composed an oratio for the Frauenkirche. His "Feast of the Apostles" was first performed in 1843. Dresden's reputation as the "Paris of the East" or "Venice on the Elbe" owes much to this masterpiece of baroque architecture and its turreted Italian-inspired, 97-meter dome.

JOHN SCHMID is the International Herald Tribune's Germany correspondent.

Social Democrats Divided by 2 Visions

By William Drozdiak

BERLIN — After 15 years of languishing in the political desert, Germany's Social Democrats would like to believe they stand a strong chance of recapturing power at the national level in next September's elections and depriving Chancellor Helmut Kohl of an unprecedented fifth term in office.

On the surface, the omens appear promising. At 67, Mr. Kohl is looking tired and may have difficulty persuading voters he can provide the dynamic leadership required to carry out a pressing agenda of social and economic reforms and invigorate Europe's biggest nation for the challenges of the 21st century.

With joblessness reaching levels not seen since Adolf Hitler rose to power in 1933, the Social Democrats are confident they can deliver a more convincing message of hope than Mr. Kohl's Christian Democrats. After this year's successes by Britain's New Labour and France's Socialists, the German left thinks the electoral tide in Europe has turned and its own moment of triumph cannot be far behind.

But the path back to power is strewn with tricky obstacles, not least those of the party's own making. The Social Democrats have always been torn between ideological purists and moderate pragmatists. The emotional debate is gathering new intensity ahead of a fateful decision in April as to who will be the party's candidate for chancellor: its left-leaning leader Oskar Lafontaine or the charismatic pro-business prime minister of Lower Saxony, Gerhard Schroeder.

Opinion polls show that Mr. Schroeder enjoys broad support among voters and would easily defeat Mr. Kohl in a head-to-head race while Mr. Lafontaine would come up short. Mr. Schroeder wants to encourage greater economic innovation, which has won strong endorsement from the entrepreneurial class. But his centrist views remain suspect to many rank-and-file Social Democrats.

Mr. Lafontaine has already won great admiration within the party for restoring a sense of relative harmony and discipline. In contrast to Mr. Schroeder, he represents the party's traditional backing for greater income distribution and other labor interests. He has consistently advocated higher wages and shorter working weeks.

Mr. Schroeder has declared he will not run for chancellor if his share of the vote slips by more than two percent in next March's state elections. Party strategists say the decision to postpone the choice of candidates until after the Lower Saxony vote allows Mr. Schroeder to test his support and prevents Mr. Kohl from targeting his future foe. But the delay also risks inflaming the personal rivalry between Mr. Schroeder and Mr. Lafontaine.

While both have struggled to keep their relationship on an amicable basis, they cannot conceal their fiercely competitive ambitions to win the top job. Mr. Lafontaine lost the 1990 elections just as Mr. Kohl was reaping the dividends of steering Germany toward reunification. He also suffered a near-fatal stabbing by a deranged attacker that all but ended his campaign. Now that his health is restored and Mr. Kohl appears vulnerable, Mr. Lafontaine's friends say he feels a special destiny to lead his party back to national power in 1998.

But Mr. Schroeder is equally determined to become chancellor and take the country, along with his party, in a new direction. He eagerly invites comparisons with Britain's Prime Minister Tony Blair with his plans to revamp Social Democratic policies by emphasizing new technologies and discarding Marxist principles. While critics question whether he can ever control the party's inveterate leftists, Mr. Schroeder and his allies insist the Social Democrats have no hope of expanding their appeal and winning the election without his blend of personal charm and centrist vision.

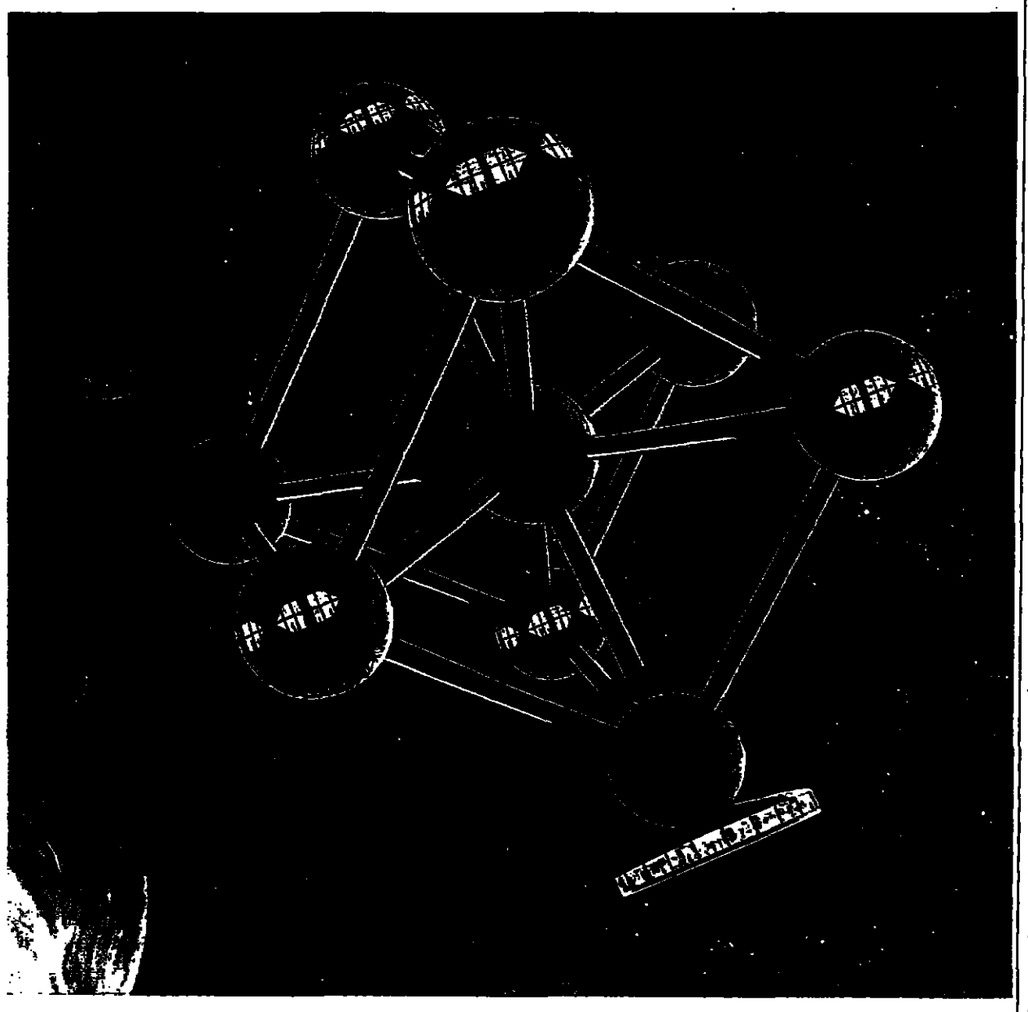
While Mr. Kohl and his center-right ruling coalition have been weakened by their failure to make any headway in solving the unemployment crisis, the Social Democrats will have a hard time escaping a measure of blame regardless of who becomes their candidate. They control a majority of the 16 state governments and the upper house of Parliament known as the Bundesrat, and they have used that clout to block tax and pension reforms that Mr. Kohl's government has been trying to enact.

THE tactical decision to thwart the passage of reforms ahead of next year's election has also contributed to tensions between Mr. Lafontaine and Mr. Schroeder. As party leader, Mr. Lafontaine is loathe to concede any legislative breakthrough to Mr. Kohl that he could trumpet during the campaign. But Mr. Schroeder believes that unless the Social Democrats display greater cooperation in addressing the nation's problems they could become victims of a voter backlash.

The different visions they represented also extend to their preferred governing partners. Mr. Lafontaine seems most comfortable with a "red-green" tandem that would link the Social Democrats with the environmentalist Greens, who could displace Mr. Kohl's junior partner, the Free Democrats, as the country's third largest party.

Mr. Schroeder seems more attracted to a "grand coalition" with the Christian Democrats. But Mr. Kohl has given notice that he would withdraw from politics rather than govern with the Social Democrats, leaving his party's leadership to his anointed heir, Wolfgang Schaeuble.

WILLIAM DROZDIAK is Central Europe correspondent for The Washington Post



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Legislative Impasse Colors Campaign

Continued from Page 19

benefits. Since then, the unions have joined forces with the opposition and social activists in rejecting further changes in social benefits.

Globalization — the invisible hand of 1990s economics — has been particularly brutal in reunified Germany. As Eastern Germany struggles to make the same transition as other former Communist economies like Poland and Hungary, Western Germany struggles to adapt its West European social model.

Unification stretched Western Germany's social net to its limits by extending social benefits to the 18 million Easterners. That hastened Bonn's fiscal crisis. Without the costs of Eastern Germany, the Finance Ministry reckons that Germany would be Europe's leanest and best-managed economy, at least according to the European Union's strict budget benchmarks for the single currency. Germany's deficit would amount to only 2 percent of gross domestic product. Germany and other EU nations are expected to overshoot the EU's 3 percent deficit-to-GDP ratio.

Waves of mass layoffs since 1993 have been an embarrassment to Mr. Kohl, who has tried to tackle the nation's joblessness, already at postwar record levels above four million. The number of unemployed is expected to approach or exceed five million this winter, economists say. Mr. Kohl's critics question how Germany can adapt to the global economy if it cannot create jobs.

Germany has lapsed into crisis, according to its president, Roman Herzog. Last May, he said Germany faced its "biggest challenge in 50 years" and needed a "jolt" to free itself from a cycle of "resignation, blocked reforms and lost economic dynamism."

Voters wonder whether Mr. Kohl will enjoy any greater success if next year's elections return the same parties to their current roles of government and opposition, Mr. Spaeth said.

On the left, can the opposition Social Democrats do any better? So far, signals are mixed. The obvious alternative to Mr. Kohl would be a left-leaning coalition led by the Social Democrats. However, the Social Democrats themselves are split over any structural reforms, with a pro-union camp led by Oskar Lafontaine that has led the blockade against Mr. Kohl and a pro-reform camp headed by Gerhard Schroeder.

A victory for Mr. Kohl's center-right alliance — his Christian Democratic Party, the Bavarian Christian Social Union and the small Free Democratic Party — would be record-setting. Having outserved his mentor, postwar Chancellor Konrad Adenauer, Mr. Kohl hopes to break Bismarck's 19-year record, attainable for Mr. Kohl in October 2001.

But his future is tied to the survival of the Free Democratic Party, the pro-business junior coalition partners that are struggling to meet the 5 percent minimum for representation in Parliament.

The fact that so few voters support the Free Democrats is seen by some as further evidence that Germans want to avoid necessary restructuring.

"If I want change, then who do I vote for? Who?" asked Mr. Spaeth.

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WORLD ROUNDUP

Hooper Hits Out

CRICKET Pakistan moved to the brink of victory Monday on the third day of the third test against the West Indies in Karachi. At the close, the visitors were on 198 runs for seven wickets in their second innings and still needed three runs to make Pakistan bat again. Carl Hooper made 106 off just 80 balls for the West Indies, but only Brian Lara, with a resolute 37, offered any support. Pakistani off-spinner Saqlain Mushtaq took four wickets.

Earlier in the day, Pakistan lost its last nine wickets for 90 runs as it made 417 in its first innings to take a 201-run lead. *(AP)*

A Black and White Issue

BASKETBALL The agent for the suspended All-Star Latrell Sprewell said he thought race might have been a factor in the confrontation between the player and P.J. Carlesimo, the Golden State coach.

Arn Tellem said on ABC television Sunday: "I think when you look at it, I don't think the issue of race can be ignored. I think that's the best way to answer. I think it must be looked into."

However, Billy Hunter, executive director of the players union, said on NBC: "I don't think that that's the issue at all."

Sprewell, who is black, was suspended by the NBA for one year after attacking Carlesimo. *(AP)*

Anderson Stays Put

BASEBALL Brady Anderson, Paul Molitor and Gary Gaetti were among 10 free agents who stayed with their teams Sunday, agreeing to contracts before the midnight deadline to offer players arbitration.

Anderson and Baltimore agreed to a $31 million, five-year contract. Molitor, 41, agreed just before the deadline to a $4.15 million one-year contract with Minnesota. Gaetti, a 39-year-old third baseman, agreed to a $1 million, one-year contract with St. Louis.

Arizona signed a free-agent pitcher, Willie Blair, to a $11.5 million, three-year contract. Blair was 16-8 last season for Detroit. *(AP)*

Devils Trade Top Scorer

ICE HOCKEY John MacLean, the New Jersey Devils' career points leader, joined the San Jose Sharks in a four-player trade. MacLean, who requested a trade, had 347 goals and 354 assists in 15 seasons with the Devils. San Jose also obtained defenseman Ken Sutton in return for defenseman Doug Bodger and wing Dody Wood. *(AP)*

Claudio Papi/Reuters

Snowboarders like these practicing in Sestriere, Italy, at the World Cup are preparing to descend on Japan.

Punks of the Slopes Search for Respect

Snowboarders Are Heading for the Olympics

By Amy Shipley
Washington Post Service

SALT LAKE CITY — Todd Richards's bleached hair shoots up like sturdy blades of short grass. He is wearing sleek, aerodynamic sunglasses in a hotel conference room illuminated by artificial light. Richards is a prospective 1998 Winter Games athlete in snowboarding, a sport making its Olympic debut, and he has a message about acceptance.

For years, Richards and his fellow snowboarders were treated like interlopers on the slopes. Frequently perceived as daredevil adolescents who posed a threat to skiers, snowboarders were barred from most ski areas in the early 1980s. They are still barred from a handful of resorts.

"We have been on this crazy quest for legitimacy for so long," said Richards, 27, the 1997 U.S. Open winner in freestyle. "The Olympics are going to bring a legitimacy into this sport like no one can comprehend. I'm still as much of a dork as I've always been, yet I'm going to be at the Olympics."

Snowboarding gets under way in Nagano on Feb. 7, the second day of competition. An air of vindication hovers as Richards and Mike Jacoby, Sondra Van Ert and Lisa Kosglow discuss their sport, which was born in 1965, when a man named Sherman Poppen fastened two pairs of skis together for his children to surf on the snow. He called the contraption a Snurf.

Many snowboarders consider skiing the stuffy uncle to their sport, and sports such as the biathlon even more dreary.

"With no disrespect to any other sport in the Winter Olympics," Kosglow, 24, said, "I think snowboarding will liven things up a bit."

Snowboarding can best be described as a cross between surfing and skateboarding, with the difference that snowboarders wear boots that clamp securely to their boards. Olympic competition in snowboarding will feature both an alpine event — giant slalom — and a freestyle event — the halfpipe competition.

Giant slalom involves racing down a course for speed. Halfpipe refers to a giant snow trough that launches skiers into the air; the skiers are judged on the acrobatic maneuvers they perform.

"The freestyle part of snowboarding I know draws a lot of skateboarders," Richards said. "We've integrated the skateboard style into the freestyle aspect of it."

Snowboarding appeals to a young, largely male audience that also enjoys mountain biking. A computer poll of 16,000 snowboarders showed 83 percent were male and 84 percent were 12 to 24 years old, said Lee Crane, editor of SOL/Snowboarding Online. Ninety percent are single and 48 percent also take part in mountain biking, he said.

"Skiing has always been a rich kid's sport," Kosglow said. "You get a more urban group of kids coming to the mountains" to snowboard.

"I don't see snowboarding overtaking skiing," Richards said. "It's such the alternative thing."

Van Ert, 33, last year's International Ski Federation giant slalom snowboarding world champion, is a former member of the U.S. alpine ski team.

"Being a world class skier," she said, "all you do is eat, drink and sleep skiing." The lifestyle lost its appeal, so Van Ert quit skiing and went to the University of Utah for a degree in finance. When she graduated, she discovered snowboarding.

Kosglow, the '97 International Snowboard Federation world championship silver medalist in giant slalom, got her start in the sport nine years ago by mounting a snowboard with tennis shoes. Painful falls marked her first few days, but she was hooked anyway.

Last year, Americans won eight of 39 medals at the FIS and ISF world championships.

The dominant snowboarder, however, is the halfpipe specialist Terje Haakonsen of Norway, whom other riders discuss in hushed tones. He is considered the runaway gold medal favorite in the men's halfpipe, but Richards finished just behind him at the '97 ISF world championships. Powers won the 1996 halfpipe world championships on the FIS tour.

Whatever happens, you can bet that the Americans will enjoy their ride.

"I still don't really consider it a job," Richards said. "I get up every day and all I want to do is go snowboard."

Hot Cavaliers Break Lakers' Streak

The Associated Press

The Cleveland Cavaliers withstood a furious fourth quarter assault in Los Angeles to end the Lakers unbeaten home streak while extending their own winning run to eight games.

Wesley Person scored 22 points for Cleveland on Sunday night as it beat the Lakers, 94-84. Los Angeles had not lost at home this season.

Kobe Bryant almost brought the Lakers back, scoring 14 of his 21 points in the first six minutes of the fourth quarter as Los Angeles cut into a 19-point deficit. Eddie Jones made two free throws to cut Cleveland's lead to 83-79 with 2:18 left before Person hit a clutch 3-pointer.

Pacers 99, Suns 97 Indiana extended its winning streak to six when Reggie Miller hit a baseline jumper at the overtime buzzer for victory in Phoenix.

"I always like to silence the crowd on the road," Miller said. "That's what separates the good players from the great players. It was me against 19,000 people screaming and clapping. When I hit the shot, it was so quiet."

Miller, who did not score in the first half, finished with 19 points as Indiana won its fifth straight on the road on coach Larry Bird's 41st birthday.

76ers 93, Knicks 78 In Philadelphia, Allen Iverson scored 27 points and Jerry Stackhouse scored 20 as the 76ers ended a three-game losing streak.

Allan Houston scored 27 points for the Knicks, who have lost three of their last four and four straight road games.

Pistons 93, Raptors 83 Reserve Jerome Williams had 20 points and 11 rebounds as Detroit snapped a four-game road losing streak.

John Wallace scored 23 points for the Raptors, who extended their franchise-record losing streak to 16 games.

Bucks 97, SuperSonics 91 Terrell Brandon, who came to the Bucks in a three-way trade that sent Vin Baker to Seattle, scored 20 points and the Bucks overcame Baker's 29 points on his return to Milwaukee.

Nuggets 100, Clippers 92 In Denver, LaPhonso Ellis scored 21 points, and the Nuggets outscored Los Angeles 30-14 in the final period and won for only the second time in 17 games.

Kings 99, Warriors 84 In Sacramento, Mitch Richmond and Corliss Williamson each scored 24 points as the Kings snapped a six-game losing streak.

NBA ROUNDUP

With Luck, the Referee Will Be From Iraq

Los Angeles Times Service

It's more than six months before the United States plays Iran in the World Cup, in Lyon on June 21, but already the two sides are warming up.

Hank Steinbrecher, U.S. Soccer's executive director, muddled his Middle East adversaries when he referred to it as "the mother of all games."

The U.S. and Iran have had strained relations ever since the Islamic Revolution and subsequent hostage crisis almost two decades ago.

"When we got Iran," said U.S. midfielder Claudio Reyna, "it kind of gave us more hope, in all honesty, because we needed a team we felt we could definitely beat."

Countered Akbar Torkan, head of the Iranian Wrestling Association and a former government minister: "The level of U.S. soccer is not at a level that we could lose to them."

Others are trying to calm the waters.

"The meaning of FIFA is peace and unity," said Darius Mostafavi, president of Iran's soccer federation. "We are thinking only of soccer, not politics. We are friends of the people of the USA."

Which prompted Alan Rothenberg, president of U.S. Soccer, to add, "Maybe we can have soccer diplomacy like we had Ping-Pong diplomacy with China."

"For Iran to beat the U.S. would be like winning the World Cup," said Alexi Lalas, a defender in the U.S. team. "Soccer and the World Cup reflects a nation's personality and history, something that will be seen during the game. And that's what the World Cup is all about. It will show that we can put politics aside and play a good and fair game."

"At the World Cup, we will get what is our right, and help our nation hold its head up high," said Ali Daie, one of Iran's most dangerous strikers.

"The only thing missing is if FIFA assigns an Iraqi referee," said Rothenberg.

Oilers Settle for a 3-3 Tie With Blackhawks

The Associated Press

The Edmonton Oilers scored on three of their first eight shots at goaltender Jeff Hackett but had to settle for a tie against the struggling Blackhawks in Chicago.

Sunday night's game ended 3-3 after Andrei Kovalenko, whose goal for Edmonton at 7:49 of the second period tied the game, hit a post at 2:10 of overtime.

"Inconsistency, that's why we're below .500," said Chris Chelios, the Blackhawks captain. "Some nights we can beat anybody. Some nights we couldn't beat a minor league team."

Eric Daze, who has been inconsistent in his third NHL season, broke through for his eighth and ninth goals of the season. The Blackhawks also got a timely tally from defenseman Keith Carney.

But the Oilers although outshot 29-22, had the better scoring chances as the game progressed.

"I was surprised we played as well as we did," said Edmonton coach Ron Low, whose team played its fifth game in eight nights. "I thought we had quite a bit of jump.

"I'm surprised we generated so many scoring chances tonight. We had a load of them, the most in two weeks."

Greg DeVries opened the scoring with a screened power-play goal at 4:15 of the first period. But goals by Daze and Carney 43 seconds apart gave Chicago a 2-1 lead after 20 minutes.

Mats Lindgren made it 2-2 at 2:06 of the second period on just the Oilers' seventh shot.

Daze's second goal, a power-play goalmouth tip-in, gave Chicago a 3-2 lead at 6:19 just 90 seconds before Kovalenko tied it up again.

Panthers 5, Capitals 4 In Miami, both Steve Washburn and Dave Gagner scored twice in Florida's victory. John Vanbiesbrouck had 24 saves to move past Mike Liut into 15th place in NHL career victories with 295. It was only Florida's second victory since general manager Bryan Murray replaced Doug MacLean as coach Nov. 24.

NHL ROUNDUP

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SPORTS

Giants Join Usual Crowd In Race for Playoff Spot

The Associated Press

The NFL playoff picture is coming into sharper focus as the old standbys Green Bay, Pittsburgh and Kansas City and, yes, even the upstart New York Giants, took giant steps in Week 15.

The defending Super Bowl champion Packers clinched their third straight NFC Central title Sunday with a victory over Tampa Bay. Pittsburgh is on the verge of its fifth AFC Central crown in six years after besting Denver.

The Broncos' loss and the Chiefs' rout of Oakland put Kansas City into a tie with Denver for first in the AFC West.

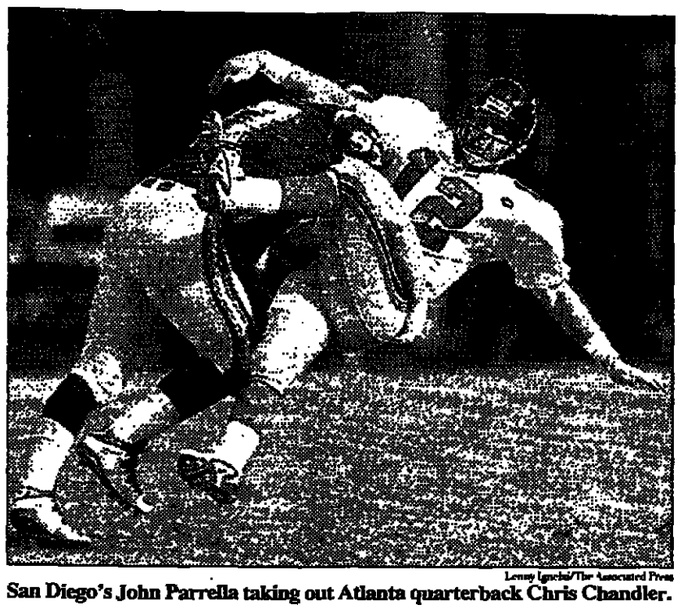
The Giants, who won at Philadelphia on Sunday, would clinch the NFC East with a victory at home against Washington on Saturday, regardless of how defending champion Dallas finishes.

NFL Roundup

Steelers 35, Broncos 24 Kordell Stewart of Pittsburgh threw three touchdown passes to Yancey Thigpen in the first half and ran for two scores.

Giants 31, Eagles 21 Tiki Barber ran for 114 yards in relief of Tyrone Wheatley, and Danny Kanell threw three touchdown passes for the Giants. The Giants' defense had three interceptions, two fumble recoveries and four sacks.

Redskins 38, Cardinals 28 Jeff Hostetler threw for 226 yards and three touchdowns in his first start in relief of Gus Frerotte. Brian Mitchell returned a punt 63 yards for a score and Cris Dishman scored on a 29-yard interception return as Washington stayed a game behind the Giants in the NFC East.



Lenny Ignelzi/The Associated Press

San Diego's John Parrella taking out Atlanta quarterback Chris Chandler.

Patriots 28, Jaguars 20 Drew Bledsoe was 26-of-35 for 234 yards and two touchdowns, with no interceptions, as the Patriots stayed tied for first with *Miami in the AFC East. Before a record* crowd of 73,466, the Jaguars lost for the first time in 13 home games.

Dolphins 34, Lions 31 Dan Marino threw for 310 yards and two touchdowns and set up Olindo Mare's game-winning 42-yard field goal at Miami.

Colts 22, Jets 14 Marshall Faulk ran for a season-high 133 yards and Indianapolis had a season-high eight sacks as it won for the eighth time in nine games on the road.

49ers 28, Vikings 17 Steve Young threw for two touchdowns and ran for a third as the 49ers finally beat a team with a winning record.

Ravens 31, Seahawks 24 Jermaine Lewis returned punts 89 and 66 yards for touchdowns in the second quarter and later caught a 29-yard scoring pass from Eric Zeier for the Ravens, who broke a five-game winless streak.

Falcons 14, Chargers 3 In San Diego, the rookie Byron Hanspard returned the second-half kickoff 99 yards for a touchdown as the Falcons increased *their winning streak to four.*

Bears 20, Bills 3 Erik Kramer passed for 270 yards and two touchdowns, as Buffalo could not manage a touchdown against the porous Chicago defense.

Rams 34, Saints 27 Tony Banks engineered three fourth-quarter touchdown drives, two of them concluding with passes to Isaac Bruce, as the Rams overcame a 27-13 deficit.

In games reported in late editions Monday:

Chiefs 30, Raiders 0 Rich Gannon, the Kansas City quarterback, ran for a touchdown and threw for another, improving his record to 4-1 in relief of Elvis Grbac.

Packers 17, Bucs 6 In Tampa, Brett Favre threw two TD passes to become the first quarterback in NFL history to throw for 30 touchdowns in four consecutive seasons.

Bowls Filled With Muddy Water

A National Championship Game Still Eludes the Alliance

By Steve Berkowitz
Washington Post Service

The Orange Bowl officials knew they would not be able to match the nation's two top-ranked college football teams, so they held their breath until the final regular season polls were released, then selected solidly No. 2 Nebraska and barely No. 3 Tennessee to play Jan. 2 at Pro Player Stadium in Miami.

Within hours, Keith Tribble, the Orange Bowl executive director, was saying that even if No. 1 Michigan beats No. 8 Washington State in the Rose Bowl on Jan. 1, the winner of his game "of course" should be voted a share of the national championship.

"We're billing this as the alliance national championship, which it is," Tribble said. "Obviously if Michigan loses, it becomes the national championship. If they win, we're hoping for a split in the polls. We're proceeding as if it's a championship-type game."

As the rest of the bowl matchups fell into place Sunday evening, there was plenty for everyone in college football to disagree about.

For openers, there were the selections made by officials from the other two games in the Bowl Alliance once the Orange Bowl had exercised its privilege of taking the top two teams available. (The Pacific-10 and Big Ten conferences send their champions to the Rose Bowl, but will join the Bowl Alliance next season.)

The Sugar Bowl chose No. 4 Florida State and No. 9 Ohio State. The Fiesta Bowl chose No. 10 Kansas State and No. 14 Syracuse. Like the Orange Bowl, those games will pay each participating school between $8 million and $8.5 million, money the schools will share with the other universities in their conferences.

The Bowl Alliance includes the champions of the Atlantic Coast, Big East, Big 12 and Southeastern conferences; that accounts for the Seminoles, Orangemen, Cornhuskers and Volunteers. The alliance also allows two at-large selections: these were Ohio State (10-2) and Kansas State (10-1) leaving No. 5 UCLA (9-2) and No. 7 North Carolina (10-1) unhappy. The Bruins will play Texas A&M in the Cotton Bowl.

Dick Baddour, the North Carolina athletic director, said the Tar Heels were "pleased and excited" to be going to the Gator Bowl, which matches teams from the ACC and Big East. But, a North Carolina spokesman said: "It's disappointing when you're 10-1 and ranked as high as fifth in the country and you're not going to the alliance, and there's another team that's 10-1 and ranked lower than you that is."

Paul Hoolahan, the Sugar Bowl executive director, said his game's choice came down to what he called "the six R's" — records, rankings, potential television ratings, rewarding deserving teams, avoiding a rematch of a regular season game, and revenue. "Then you have to weight those variables," he said. Several of Hoolahan's variables were in North Carolina's and UCLA's favor. But Kansas State had more than 40,000 fans at last season's Cotton Bowl, and Ohio State is a national television favorite.

"We got selected for an alliance bowl over a couple of teams that were ranked higher," said Andy Geiger, Ohio State's athletic director. "Not everybody will be pleased."

Pac-10 officials had offered to use as much as $4 million of their Sugar Bowl revenue to help subsidize the cost of a trip to New Orleans for UCLA fans. It wasn't enough to entice the bowl to take the Bruins.

Schedule of College Bowl Games

SATURDAY, DEC. 20
LAS VEGAS BOWL
Air Force (10-2) vs. Oregon (6-5), 6 p.m.
THURSDAY, DEC. 25
BLUE-GRAY CLASSIC
At Montgomery, Ala.
Blue vs. Gray, Noon
ALOHA BOWL
At Honolulu
Michigan St. (7-0 vs. Wash. (7-4), 3:30 p.m.
FRIDAY, DEC. 26
MOTOR CITY BOWL
At Pontiac, Mich.
Marshall (10-2) vs. Miss. (7-4), 8 p.m.
SATURDAY, DEC. 27
HERITAGE BOWL
At Atlanta
South Carolina St. (9-2) vs. Southern (10-1), 2:30 p.m.
INSIGHT.COM BOWL
At Tucson, Ariz.
Arizona (6-5) vs. N. Mexico (9-3), 8 p.m.
SUNDAY, DEC. 28
INDEPENDENCE BOWL
At Shreveport, La.
LSU (8-3) vs. Notre Dame (7-5), 8 p.m.
MONDAY, DEC. 29
HUMANITARIAN BOWL
At Boise, Idaho
Utah St. (6-5) vs. Cincl. (7-4), 3:30 p.m.
CARQUEST BOWL
At Miami
Georg.Tech(6-5)vs.W. Va. (7-4),7:30p.m.
HOLIDAY BOWL
At San Diego
Missouri (7-4) vs. Colo. St. (10-2), 8 p.m.
TUESDAY, DEC. 30
ALAMO BOWL
At San Antonio
Okla St. (8-3) vs. Purdue (8-3), 8 p.m.
WEDNESDAY, DEC. 31
SUN BOWL
At El Paso, Texas
Arizona State (8-3) vs. Iowa (7-4), 2 p.m.
LIBERTY BOWL
At Memphis, Tenn.
Pitt. (6-5) vs. S. Miss. (8-3), 3:30p.m.
FIESTA BOWL
At Tempe Ariz.
Kan. St. (10-1) vs. Syracuse (9-3), 7 p.m.
THURSDAY, JAN. 1
OUTBACK BOWL
At Tampa, Fla.
Wisconsin (8-4) vs. Georgia (9-2), 11 a.m.
GATOR BOWL
At Jacksonville, Fla.
N. Carol. (10-1) vs. Va. Tech (7-4), 12:30.
CITRUS BOWL
At Orlando, Fla.
Penn State (9-2) vs. Florida (9-2), 1 p.m.
COTTON BOWL
At Dallas
Tex. A&M (9-3) vs. UCLA (9-2), 1:30 p.m.
ROSE BOWL
At Pasadena, Calif.
Mich. (11-0) vs. Wash. St. (10-1), 5 p.m.
SUGAR BOWL
At New Orleans
Florida St. (10-1) vs. Ohio St. (10-2), 8 p.m.
FRIDAY, JAN. 2
PEACH BOWL
At Atlanta
Clemson (7-4) vs. Auburn (9-3), 3 p.m.
ORANGE BOWL
At Miami
Nebraska (12-0) vs. Tenn. (11-1), 8 p.m.
SATURDAY, JAN. 10
EAST-WEST SHRINE CLASSIC
At Stanford, Calif.
East vs. West, 4 p.m.
SATURDAY, JAN. 17
SENIOR BOWL
At Mobile, Ala.
North vs. South, 2:30 p.m.
SUNDAY, JAN. 18
HULA BOWL
At Wailuku, Maui
South vs. North, 4 p.m.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	12	5	.706	—
Orlando	13	7	.650	½
New Jersey	11	7	.611	1½
New York	11	8	.579	2
Washington	8	11	.421	5
Boston	7	11	.389	5½
Philadelphia	5	11	.313	6½

CENTRAL DIVISION

Atlanta	15	3	.833	—
Cleveland	12	6	.667	3
Indiana	11	6	.647	3½
Chicago	11	7	.611	4
Charlotte	10	7	.588	4½
Milwaukee	11	8	.579	4½
Detroit	8	12	.400	8
Toronto	1	18	.053	14½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	11	5	.688	—
Utah	11	7	.611	1
San Antonio	10	9	.526	2½
Minnesota	8	10	.444	4
Vancouver	7	13	.350	6
Dallas	5	13	.278	7
Denver	2	15	.118	9½

PACIFIC DIVISION

L.A. Lakers	15	3	.833	—
Seattle	15	5	.750	1
Phoenix	11	5	.688	3
Portland	11	6	.647	3½
Sacramento	6	14	.300	10
L.A. Clippers	3	16	.158	12½
Golden State	2	15	.118	12½

SUNDAY'S RESULTS

Detroit	23	25	18	27—	93
Toronto	20	22	26	15—	83

D: Hill 9-17 2-2 20, Williams 9-12 2-5 20; T: Wallace 11-20 1-2 23, Stoudamire 9-18 0-0 21. Rebounds—Detroit 57 (Williams 11), Toronto 36 (Miller 9). Assists—Detroit 25 (Hill 5), Toronto 22 (Stoudamire 9).

New York	20	17	18	25—	78
Philadelphia	29	23	22	19—	93

[N.Y.: Houston 11-22 2-2 25, Starks 6-18 1-1 14; P: Iverson 9-16 7-8 27, Stackhouse 7-15 5-5 20. Rebounds—New York 51 (Oakley 8), Philadelphia 47 (Weatherspoon 9). Assists—New York 18 (Ward 8), Philadelphia 26 (Jackson, Iverson 7).

Seattle	27	21	23	20—	91
Milwaukee	18	26	29	24—	97

S: Baker 12-23 5-7 29, Payton 5-17 8-9 18; M: Allen 9-17 2-3 20, Brandon 8-19 4-4 22. Rebounds—Seattle 45 (Baker 11), Milwaukee 53 (Johnson 14). Assists—Seattle 16 (Payton 6), Milwaukee 22 (Brandon 13).

Indiana	24	22	28	16	9— 99
Phoenix	22	18	26	23	7— 97

I: Miller 8-20 1-3 19, Smits 5-18 6-6 16; P: Manning 11-21 3-7 25, McCloud 7-17 0-0 18. Rebounds—Indiana 60 (D.Davis 11), Phoenix 61 (Manning 12). Assists—Indiana 26 (Jackson 12), Phoenix 26 (Kidd 12).

L.A. Clippers	24	28	26	14—	92
Denver	24	17	19	30—100	

L.A. CLIPPERS: Rogers 6-12 4-6 18, Piatkowski 7-17 0-0 18; D: Ellis 8-15 3-3 21, Jackson 7-14 3-4 17. Rebounds—Los Angeles 51 (Vrankovic 8), Denver 57 (Jackson 9). Assists—Los Angeles 16 (Richardson 7), Denver 18 (Ellis, Jackson 4).

Golden State	19	18	24	23—	84
Sacramento	23	16	38	30—	99

V: Smith 9-20 6-8 24, Dampier 7-11 4-7 18; S: Williamson 7-13 10-13 24, Richmond 7-15 10-11 24. Rebounds—Golden State 66 (Marshall 10), Sacramento 59 (Polynice 13). Assists—Golden State 20 (Shaw 8), Sacramento 18 (Richmond, Johnson 4).

Cleveland	26	32	28	18—	94
L.A. Lakers	15	26	14	27—	84

C: Person 8-14 3-3 22, Henderson 5-9 4-6 14; L.A. LAKERS: Bryant 5-15 9-10 21, Campbell 4-8 5-6 13. Rebounds—Cleveland 58 (Kemp 13), Los Angeles 54 (Horry 10). Assists—Cleveland 17 (Knight 7), Los Angeles 16 (Van Exel).

FOOTBALL

NFL Standings

AMERICAN CONFERENCE

EAST

	W	L	T	Pct.	PF	PA
New England	9	5	0	.643	324	253
Miami	9	5	0	.643	227	272
N.Y. Jets	8	6	0	.571	307	274
Buffalo	6	8	0	.429	220	316
Indianapolis	2	12	0	.143	244	362

CENTRAL

y-Pittsburgh	10	4	0	.714	342	270
Jacksonville	9	5	0	.643	354	295
Tennessee	7	7	0	.500	298	283
Baltimore	5	8	1	.393	291	310
Cincinnati	5	9	0	.357	308	367

WEST

y-Kansas City	11	3	0	.786	321	212
y-Denver	11	3	0	.786	417	258
Seattle	6	8	0	.429	305	332
Oakland	4	10	0	.286	294	377
San Diego	4	10	0	.286	256	358

NATIONAL CONFERENCE

EAST

	W	L	T	Pct.	PF	PA
N.Y. Giants	8	5	1	.607	257	248
Washington	7	6	1	.536	282	227
Philadelphia	6	7	1	.464	268	317
Dallas	6	7	0	.462	260	240
Arizona	3	11	0	.214	244	326

CENTRAL

x-Green Bay	11	3	0	.786	360	251
Tampa Bay	9	5	0	.643	268	217
Minnesota	8	6	0	.571	302	317
Detroit	7	7	0	.500	352	283
Chicago	3	11	0	.214	235	380

WEST

x-San Francisco	12	2	0	.857	332	210
Carolina	6	7	0	.462	214	240
Atlanta	6	8	0	.429	274	315
New Orleans	5	9	0	.357	197	292
St. Louis	4	10	0	.286	259	328

x-won division title
y-clinched playoff berth

SUNDAY'S RESULTS

Chicago 20, Buffalo 3
Pittsburgh 35, Denver 24
Green Bay 17, Tampa Bay 6
New England 26, Jacksonville 20
New York Giants 31, Philadelphia 21
Kansas City 30, Oakland 0
St. Louis 34, New Orleans 27
Baltimore 31, Seattle 24
Atlanta 14, San Diego 3
Indianapolis 22, New York Jets 14
San Francisco 28, Minnesota 17
Washington 38, Arizona 28
Miami 33, Detroit 30

The AP Top 25

The Top Twenty Five teams in The Associated Press college football poll, with first-place votes in parentheses, records through Dec. 6, total points based on 25 points for a first-place vote through one point for a 25th-place vote and previous ranking:

	Record	Pts	Pvs
1. Michigan (69)	11-0	1,749	1
2. Nebraska (1)	12-0	1,681	2
3. Tennessee	11-1	1,570	3
4. Florida St.	10-1	1,536	4
5. UCLA	9-2	1,386	5
6. Florida	9-2	1,356	6
7. North Carolina	10-1	1,293	7
8. Washington St.	10-1	1,292	8
9. Ohio St.	10-2	1,246	9
10. Kansas St.	10-1	1,194	10
11. Penn St.	9-2	994	12
12. Georgia	9-2	966	13
13. Auburn	9-3	952	11
14. Syracuse	9-3	778	15
15. LSU	8-3	715	16
16. Arizona St.	8-3	610	17
17. Purdue	8-3	578	18
18. Colorado St.	10-2	510	20
19. Missouri	7-4	471	19
20. Texas A&M	9-3	460	14
21. Washington	7-4	304	21
22. Southern Miss.	8-3	277	22
23. Air Force	10-2	216	23
24. Oklahoma St.	8-3	184	24
25. Michigan St.	7-4	140	25

Others receiving votes: Iowa 59, Mississippi 45, Marshall 44, Wisconsin 38, Virginia 37, Louisiana Tech 25, Clemson 16, Notre Dame 13, Mississippi St. 7, New Mexico 4, N. Carolina St. 2, Miami, Ohio 1, Virginia Tech 1.

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ICE HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
New Jersey	19	9	0	38	82	51
Philadelphia	15	9	6	36	84	70
Washington	15	11	4	34	90	80
N.Y. Islanders	12	13	4	28	79	79
N.Y. Rangers	8	12	11	27	80	86
Florida	9	15	5	23	70	87
Tampa Bay	5	19	4	14	54	95

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Pittsburgh	16	10	5	37	88	77
Montreal	16	10	4	36	90	71
Boston	13	12	5	31	74	79
Ottawa	13	13	4	30	78	72
Carolina	12	14	5	29	85	86
Buffalo	9	13	6	24	72	77

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	20	7	4	44	103	67
Detroit	18	7	5	41	98	69
St. Louis	18	9	3	39	89	68
Phoenix	13	13	3	29	79	81
Chicago	10	14	5	25	63	74
Toronto	9	14	4	22	60	76

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	16	6	8	40	92	75
Los Angeles	12	12	5	29	89	83
Anaheim	11	14	6	28	70	88
Edmonton	9	15	7	25	73	94
San Jose	10	18	2	22	76	93
Vancouver	9	16	4	22	83	99
Calgary	6	18	7	19	77	99

SUNDAY'S RESULTS

Washington	1	2	1	—4
Florida	2	2	1	—5

First Period: F-Gagner 12 (Nemirovsky, Muller) 2. F-Washburn 5 (Whitney, Sheppard) (pp). 3. W-Zednik 9 (Simon, Dates) Second Period: F-Nemirovsky 5 (Whitney, Johnson) 5. W-Juneau 4 (Simon, Oates) (pp). 6. W-Zednik 10 (Hunter, Miller) 7. F-Gagner 13 (Dvorak, Muller) Third Period: W-Toms 4 (Tinordi) 9. F-, Washburn 6 (Sheppard, Laus) Shots on goal: W-6-12-10—28. F- 11-6-6—23. Goalies: W-Ranford. F-Vanbiesbrouck.

Edmonton	1	2	0	0—3
Chicago	2	1	0	0—3

First Period: E-de Vries 1 (Murray) (pp). 2. C-Daze 8 (Moreau) 3. C-Carney 2 (Johnson, Amonte) Second Period: E-Lindgren 5 (Berehowsky) 5. C-Daze 9 (Suter, Chelios) (pp). 6. E-Kovalenko 3 (McAmmond, Murray) Third Period: None. Overtime: None. Shots on goal: E-5-11-6-0—22. C- 10-12-4-3—29. Goalies: E-Joseph. C-Hackett.

CRICKET

PAKISTAN VS. WEST INDIES
THIRD TEST
MONDAY IN KARACHI, PAKISTAN

West Indies 216 and 198-7
Pakistan 417.

GOLF

Argentina Open

Final leaders Sunday of $340,000 Argentina Open, played on 6,551-yard, par-70 Jockey Club course in Buenos Aires:

Jim Furyk, U.S.	67-70-68-70—275
M. Gronberg, Swe.	73-68-68-69—278
Cris Dimarco, U.S.	75-67-67-69—278
Tim Hegna, U.S.	71-66-70-71—278
Ricardo Gonzalez, Arg.	72-67-68-72—279
Angel Franco, Peru	72-74-69-65—280
Craig Stadler, U.S.	70-69-72-69—280
Ramon Franco, Peru	69-72-66-73—280
Miguel Guzman, Arg.	74-72-66-69—281
Jorge Berendt, Arg.	74-71-66-70—281
F. Mansson, Swe.	69-68-69-75—281

Hong Kong Open

Final leaders Sunday in $350,000 Andersen Consulting Hong Kong Open golf tournament on 6,671-yard, par-71 Composite Course at Hong Kong Golf Club:

Frank Nobilo, N. Zeal.	67-66-68—267
Kang Woo Soon-S.Kor.	67-69-67-69—272
Tim Straub, U.S.	68-64-70-72—274
Lin Keng-Chi, Taiwan	67-70-66-72—275
Zhang Lian Wei, China	68-68-68-71—275
Lu Wen-teh, Taiwan	70-71-67-68—276
Choi Gwang Soo,S.Kor.	72-68-69-68—277
Jim Rutledge, Canada	72-69-70-67—278
Wayne Bradley, S.Afr.	71-68-69-71—279
Mike Cunning, U.S.	71-66-71-71—279
Scott Rowe, Canada	72-70-72-65—279

SOCCER

SPANISH FIRST DIVISION

Compostela 1, Athletic Bilbao 4
Real Sociedad 1, Valencia 1

STANDINGS: Barcelona 34 points; Real Madrid 32; Atletico Madrid 29; Espanyol 28; Real Sociedad, Celta Vigo 27; Real Betis, Oviedo 23; Athletic Bilbao 22; Mallorca 21; Zaragoza 20; Racing Santander 19; Merida 16; Deportivo Coruna, Compostela 14; Salamanca, Tenerife 13; Valladolid 13; Valencia 12; Sporting Gijon 2.

ITALIAN FIRST DIVISION

Fiorentina 1 Parma 1

STANDINGS: Inter Milan 27 points; Juventus 25; AS Roma, Udinese 22; Parma 19; Vicenza 18; AC Milan, Sampdoria 16; Lazio 15; Fiorentina 14; Brescia 13; Atalanta 11; Empoli, Piacenza, Lecce, Bari 10; Bologna 8; Napoli 5.

FRENCH FIRST DIVISION

Olympique Marseille 0 Montpellier 0
Bastia 0 Toulouse 0

STANDINGS: Monaco, Metz 38 points; Paris St Germain 37; Marseille, Lens 36; Bordeaux 32; Auxerre 29; Bastia 28; Lyon 26; Toulouse 24; Montpellier, Guingamp, Nantes 20; Strasbourg, Chateauroux 18; Rennes 17; Le Havre 16; Cannes 14.

MEXICAN LEAGUE
FINAL
Leon 1, Cruz Azul, Mexico City, 1
Cruz Azul won on 2-1 aggregate.

TRANSITIONS

BASEBALL
AMERICAN LEAGUE

ANAHEIM—Agreed to terms with RHP Rich DeLucia and RHP Mark Gubicza on 1-year contracts.

BALTIMORE—Agreed to terms with RHP Scott Kamieniecki on 2-year contract and with OF Brady Anderson on 5-year contract.

CLEVELAND—Signed RHP Rich Batchelor to 1-year contract.

MINNESOTA—Agreed to terms with DH Paul Molitor on 1-year contract.

TEXAS—Agreed to terms with LHP Scott Bailes on 1-year contract.

TORONTO—Named Jack Hubbard first base coach and Jim Lett bench coach.

NATIONAL LEAGUE

ARIZONA—Named Glenn Sherlock Gulpen and catching coach. Agreed to terms with RHP Willie Blair on 3-year contract.

FLORIDA—Claimed INF Brandon Cromer off waivers from Pittsburgh. Designated INF Alex Arias for assignment.

NEW YORK—Agreed to terms with RHP Mark Fyhrie, LHP Mark Miehls, OF Brent Bowers, INF Todd Haney and C Pedro Grifol on 1-year contracts.

ST. LOUIS—Signed OF Willie McGee to 1-year contract. Agreed to terms with 3B Gary Gaetti on 1-year contract.

SAN FRANCISCO—Agreed to terms with LHP Rich Rodriguez on 2-year contract and RHP Danny Darwin on 1-year contract.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION

ORLANDO—Activated F Horace Grant from injured list and put F Derek Strong on it.

PHILADELPHIA—Put F-C Tom Chambers on injured list. Activated G Anthony Parker.

TORONTO—Activated G-F Tracy McGrady from injured list.

HOCKEY
NATIONAL HOCKEY LEAGUE

PITTSBURGH—Recalled RW Robert Dome from Syracuse, AHL.

COLLEGE

UTAH STATE—Named Dave Arslanian football coach.

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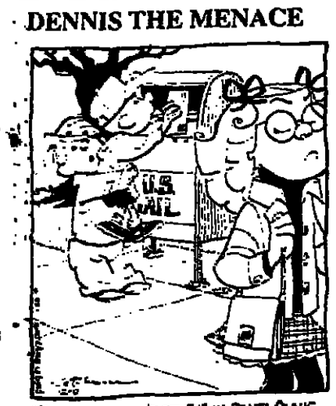
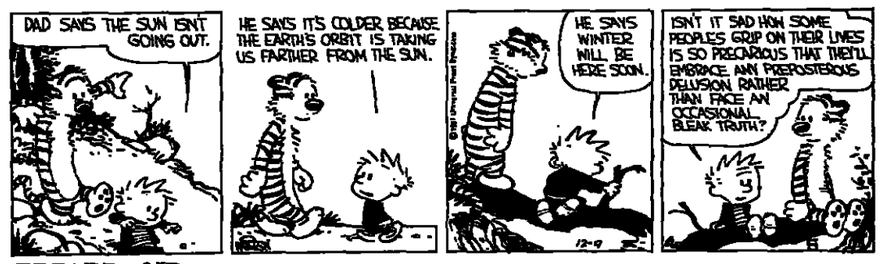
DENNIS THE MENACE



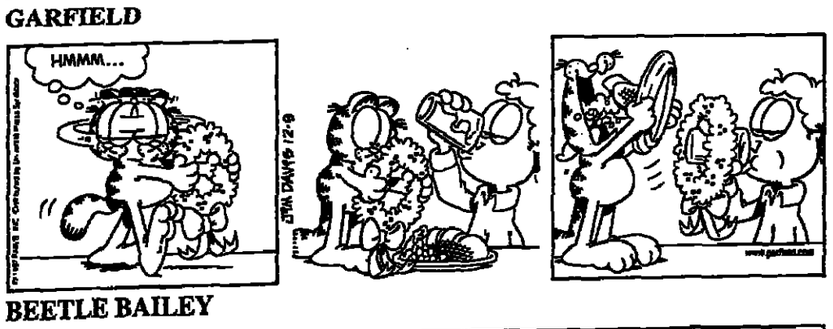
"MARGARET DOESN'T BELIEVE IN SANTA CLAUS. HER LETTERS ALWAYS GO TO MRS. CLAUS."

PEANUTS

CALVIN AND HOBBES



GARFIELD



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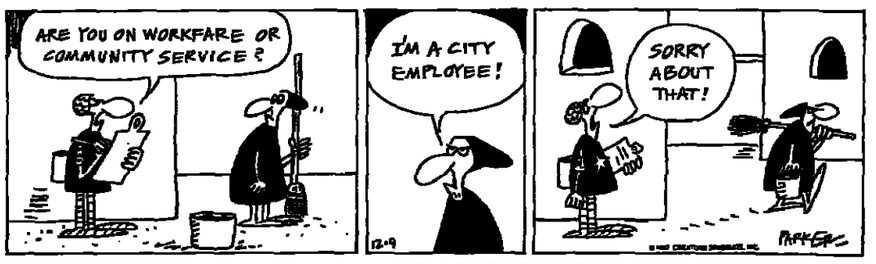
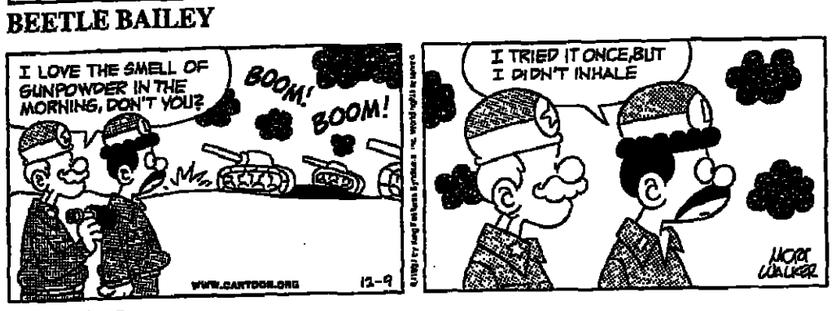


BEETLE BAILEY



NON SEQUITUR

DOONESBURY

JUMBLE®

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

CHARP
FELCT
BOBJER
NEPOTT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: A _____ (Answers tomorrow)

Yesterday's Jumbles: RANCH KINKY ASTRAY BURLAP
Answer: What the psychiatrist's patient called the big top music — "SHRINK" RAP

ART BUCHWALD

A Christmas Bargain

WASHINGTON — I am one of those Christmas shoppers who are constantly looking for a bargain. So I was really pleased when I went to the Sangfroid department store to find that everything had been marked down 25 percent.

Buchwald

I picked up a sports coat with a price tag of $259.30. That had been crossed out and someone had written $200 alongside. As I took it off the hanger, I spotted a sign on the rack, "Take another 50 percent off the tag price." This brought it down to $100, but I was sure this wasn't the bottom line.

□

Sure enough, when I tried the jacket on and placed my hand in the pocket, there was a note from the owner of the store saying, "Take 15 percent more off the 50 percent reduction of the sales price."

I took out my calculator. Now the coat was starting to make sense. But as I stood in front of the mirror, a salesclerk rushed over and said, "You get 10 percent off for looking in the mirror after you deduct the sales price and the 50 percent deduction, plus the 15 percent bonus and a pear tree."

I pointed out that at Christmas a customer expects a little more in price deductions than a mere 75 percent on a coat.

The salesclerk said, "Wait a minute, I'll call upstairs." He called someone in top management and then said, "My boss said you can have the coat for nothing, but we'll have to charge you for alterations."

I told him, "Macy's will give you a sports coat where you can deduct 100 percent of the sales price and throw in a quart of Brookstone Shaving Lotion."

By this time the merchandising manager had arrived on the floor. "What seems to be the problem?"

"I am a good customer of Sangfroid and I expect good buys at Christmas. What I consider a good buy is if you give me the coat for nothing and throw in a pair of gray flannel pants."

"If we do that we'll lose money on our Christmas sales."

□

"That's not my problem. This is a very competitive world and if you can't cut the mustard, J.C. Penney can."

"All right. You can have the coat, and we'll throw in the pants and give you a gift certificate for $10."

"Now you're talking my language. You can put me down as another happy customer if you take 50 percent off the leather jacket over there now selling for 75 percent of its cost."

California Wines Set Record at Auction

The Associated Press

NEW YORK — California wines proved more valuable than expected at an auction that raised $6.47 million — the highest total ever for a wine sale in the United States.

The auction was held by Christie's auction house and the Bordeaux retailer Zachys.

Twenty-five cases of 1994 Napa Valley Dominus sold for $77,300. That amount was more than double the low presale estimate of $38,000.

An Actor's Journey From Africa to 'Amistad'

By Daniel J. Sharfstein
New York Times Service

LOS ANGELES — In the early 1970s, Wednesday was movie day for thousands of children at the Vogue Theater in Cotenou, Benin. School let out at noon, and students could trade five empty sacks of Omo laundry detergent for a free ticket. All week, children rooted through garbage and went door to door to collect the precious bags.

The payoff was often a Gary Cooper western. "It was amazing," recalled the actor Djimon Hounsou. "When I think back — we'd climb the walls to get in, and you'd see people packed in the bathrooms and the courtyard. Here, people refuse to sit in the first row of the theater. In Cotenou, there were kids pressed up against the screen."

At 33, twenty years after he left West Africa for France, Djimon Hounsou is on the screen, not pressed up against it. After a successful career as a fashion model, during which he became a familiar sight in the sleek photographs of Herb Ritts and Greg Gorman, and after supporting appearances in several films and music videos, he has a starring role in Steven Spielberg's "Amistad."

(The film is to open in the United States on Wednesday unless it is delayed after a hearing on a lawsuit brought by the author Barbara Chase-Riboud, who says that the screenplay borrows from "Echo of Lions," her 1989 novel.)

"Amistad" is a drama based on a telling chapter of 19th-century history that has become better known this year as the much-anticipated movie has been written and talked about. In 1839, a group of West Africans aboard the Amistad, a Cuban slave ship, rebelled against their captors, killed much of the crew and instructed the survivors to sail them back to what is now Sierra Leone.

Instead, the Cubans guided the ship up the eastern coast of the United States, and it ended up at Montauk, on the tip of Long Island, where the Africans were arrested. They were imprisoned in New Haven, then went through a series of trials in which they were represented by Roger Baldwin, a lawyer enlisted by abolitionists, and eventually John Quincy Adams, the former president. Citing international bans on trans-Atlantic slave trading, the Supreme Court ruled in the Africans' favor in 1841, freeing them to return home.

"Amistad" also stars Matthew McConaughey as Baldwin, Anthony Hopkins as Adams and Morgan Freeman as an abolitionist, Theodore Joadson. But as Cinque the leader of the Africans, Hounsou is the movie's emotional center, even though his role is spoken almost entirely in Mende, a Sierra Leonean language he had to learn.

"Djimon's perfect," said Freeman. "He'll be on people's minds for a while. What he's personifying is the strength and conviction of a person who's decided, 'This is not my destiny. This is not my fate. My destiny is not in the hull of this ship.'"

Andrea Cooper/TM and Dreamworks
Djimon Hounsou as the slave leader Cinque in Spielberg's "Amistad."

The story of Hounsou's journey from Benin to France to Hollywood is just as much an old-fashioned tale of hard-won success as it is a tale of charmed opportunity.

"Cinque is an ordinary man," he said. "He never intended to lead this whole thing in the first place. He only did what he did to free himself."

It is hard to describe Cinque or Hounsou as merely ordinary. At one point, the 6-foot-2-inch (188-centimeter) actor casually unzipped his sweatshirt, revealing his celebrated shoulders, chest and stomach. He had grown his hair and a scraggly beard for the movie, but he still radiated the sort of dazzle that he did, with shaved head and luminous dark skin, in photographs on the pages of glossy magazines.

Ritts, who in addition to photographing Hounsou directed him in a Janet Jackson video, described him as a favorite model. "I just loved his inner soul in combination with his physical stature," he said. "He has an incredible sensitivity. The way he makes shapes — he really understands his body. That comes from an inner sense."

Hounsou may have this inner sense because, as a youth, he didn't realize that his looks would open doors. His middle-class family viewed education as the key to success. The youngest of five children, Hounsou was sent to Lyon at 13 to live with an older brother and study medicine.

But he quit school at 21 and was kicked out of the house. Ashamed, he left for Paris and spent more than a year living on the streets there. In Paris, Hounsou often slept on a bench by the Pompidou Center and bathed in a nearby fountain. One day, a stranger praised his physique and gave him a photographer's business card. The photographer turned out to be legitimate, and his pictures found their way to the designer Thierry Mugler, who enlisted Hounsou for runway shows and advertising campaigns.

Hounsou's mother couldn't see that modeling may be respectable.

"The first time I sent her a picture of me as a model, she cried," he said. "She didn't know it was a real job. She thought: 'My child wearing bizarre earrings, what is this? What are they doing with my child?' Because I grew up in France, I understood the fashion industry. The only shock for me was having people see you as so beautiful, because I never really see myself like that."

Although photographers and designers treated him with respect, Hounsou said, he wanted more of an intellectual challenge. In 1990, he moved to Los Angeles and taught himself English by watching documentaries on cable television. He started acting classes and phased out lucrative modeling jobs. After bit parts in "Without You I'm Nothing" and "Stargate," he had featured roles in two movies that failed to find distributors.

Casting for "Amistad" took place on three continents. Will Smith, Cuba Gooding Jr. and the West African actor Isaach de Bankole ("Chocolat") were also considered for the part.

For Spielberg, the choice was simple. "Djimon just has an enduring quality, a real sense of destiny," the director said. "He's extremely powerful and charismatic and charming. I saw him, and he was just like how I imagined Cinque to look and sound. Having seen 150 candidates for Cinque, he was Cinque at first sight."

In the interests of authenticity, the African characters in "Amistad" speak Mende. Cinque has only one line in English, which he says at a dramatic moment in court: "Give us free." Hounsou, who grew up speaking three Beninois languages and French, had to learn a sixth language.

"African people will see the film," he said. "My duty is to make it possible so they don't have to question Cinque. I went through my hell with that language. . . . You could say something one way and it could mean '10 years.' You say it with a different inflection, and it is '10 days.'"

Hounsou, an American citizen, says he is in Los Angeles for good. He visits his family in Benin every year or two and sends back money to support his father (his mother died in 1989), but he lives alone in a Beverly Hills apartment.

"This is what I want to do, and this is where I have to be," he said. "I will go back often, but I don't know if I will live there again. I've experienced too different a world."

MUSIC

Ex-Cat Stevens Sings for Bosnia

By Steven Kinzer
New York Times Service

ISTANBUL — Music on Yusuf Islam's new album is nothing like the music his old fans might have hoped for when he was the pop star known as Cat Stevens and not the Muslim educator and spokesman he is today.

The new style comes out of Bosnia's long musical tradition, with most lyrics written and performed by Bosnians. Only two were written by Islam, and he sings just one.

They could not be interpreted as any sort of attempt at a musical comeback, but since many fans had despaired of ever hearing his singing voice again, they are something of a breakthrough in that he sings his first new song in nearly 20 years.

Agence France-Presse
Yusuf Islam in Sarajevo.

The album marked the second unexpected step recently for Islam, who adopted Islam in 1977 and renounced the celebrity life he enjoyed while churning out hits and selling 25 million albums in the 1960s and '70s.

On Nov. 15 he appeared in concert for the first time since his conversion. The place was Sarajevo, Bosnia, and the audience included many prominent Bosnians, among them President Alija Izetbegovic. A recording was made, perhaps to be released next year.

The new album, the concert and the prospect of a live concert album do not mark a reversal of Islam's decision to retire from the pop life. Instead they reflect his desire to do what he can for the Bosnian cause without returning to stardom or dredging up the catchy, introspective songs that made him famous.

The new song Islam chants is called "The Little Ones (of Sarajevo and Dunblane)," the latter a reference to the Scottish town in which a gunman massacred 16 schoolchildren in 1996. Like many songs on the album, it has a religious overtone: "They'll be raising the little ones / With no sin to atone / In the light of high Heaven / They will sit on tall thrones."

"I've been writing in my head and on pieces of paper off and on since I became a Muslim, but nothing came out of it until this last song," Islam said in a telephone interview during a visit to Istanbul to promote the new album. "I sort of gave up recording as a profession. Those little songs I've written in the past, I've sung only privately or at meetings, with no accompaniment. It's not as if I completely ceased melodizing.

"If you look at the way I recorded this new song, I've still used a very conservative approach. You only hear my own voice, a slight choral accompaniment and drums. Let's say that's the safest option according to certain Islamic schools of thought. I've made minimal use of musical instruments, and in some schools of thought in Islam musical instruments are disapproved of. That hasn't stopped me from making this contribution, and also from being associated with an album which does contain instrumentation."

He added: "It's a very beautiful album. I think it will be very interesting for many people as they try to relate to this whole genocidal episode, which cannot be forgotten. It's a reminder of the cause for which so many Bosnians died and for which they're still suffering today, which is to maintain their culture."

Islam said the new album idea grew from his meeting in London with Irfan Ljubijankic, the Bosnian foreign minister who died when his helicopter was shot down over the war zone in 1995.

"He had written a song called 'I Have No Cannons That Roar,'" Islam said. "It was a tremendously moving song. He gave it to me in my hand and said, 'Please do something with this.' Later he was killed when traveling to Bihac, his hometown in Bosnia. That obligated me to do something to honor that moment, and for the general cause."

Ljubijankic's song is included on the new album. Like most of the other songs, it is sung in the Bosnian language, with an English translation on the liner notes. "I Have No Cannons That Roar" is also the title of the album.

PEOPLE

CLEARLY relishing the controversy his Nobel Prize has provoked, **Dario Fo**, the Italian comic actor-playwright, delivered an off-the-cuff performance before the Swedish Academy in Stockholm, trumpeting the virtues of jesters through the ages. Instead of a formal lecture, the 71-year-old satirist distributed 25 pages of caricatures and doodles, lampooning critics who had derided the academy for bestowing its Nobel Prize in Literature this year on a trouble-making iconoclast. Fo took obvious delight in the criticism, mocking the "sublime poets and thinkers" who were tumbled from their Parnassian heights by the whirlwind let loose by his prize. "In reaction to this typhoon, insults are hurled at the Swedish Academy," he said in a written summary of his remarks released after his talk. "You've overdone it this time: the Nobel Prize to a comedian-playwright-actor! Who's ever heard of such a thing?"

Living up to its tradition of attracting demonstrations, La Scala opened its season amid the protests of animal rights activists and striking Milan policemen. Inside, another tradition also held true: VIPs. Among those attending were **John F. Kennedy Jr.** and his wife, **Carolyn Bessette Kennedy**. Kennedy and his wife were mobbed by photographers, cameramen and the curious as they arrived at the theater and barely reached their box seats by the time the curtain rose.

□

The car heiress **Helena Ford** has no claim on the estate of her estranged father, the shipping tycoon Stavros Niarchos, an Athens court has ruled. It said Ford, who was claiming 10 percent of her father's estate, had no inheritance rights because Niarchos's 1965 marriage to **Charlotte Ford**, her mother, was annulled in Greece at his request. Niarchos, who died last year in Switzerland, left a fortune estimated at about $2.5 billion to the four children he had with Eugenia Livanos, and to other relatives and friends. Helena Ford was not mentioned in his will.

The Washington Post
Ellen DeGeneres, left, and her friend, the actress Anne Heche.

□

Topping the Boring Institute's annual list of most boring personalities was the actress **Ellen DeGeneres**, who was the subject of countless articles and interviews when the character she plays in the U.S. television show "Ellen" came out as a lesbian. The British royal family came in second, and **Paula Jones** — who has accused **President Bill Clinton** of sexual harassment — came in third. **Vice President Al Gore** was eighth on the list.

□

The rock group Oasis walked off stage in the middle of a concert in Glasgow after a spectator threw a plastic bottle on stage. The audience first thought it was a joke but began to boo when they realized the group had left for good.

Bob Dylan et al. Take a Bow at Washington Honors Ceremony

By Ken Ringle
Washington Post Service

WASHINGTON — It's not easy to upstage Lauren Bacall, much less Jessye Norman, Edward Villella and Moses himself, Charlton Heston. But Bob Dylan did so as the Kennedy Center Honors glitterfest crossed a generational divide into the rock 'n' roll era in moving style.

With the first baby boom president looking on in the Kennedy Center Opera House and a black-tie audience cheering, the usually scraggly-bearded son of Hibbing, Minnesota — clean-shaven for the evening — was formally ushered into the social and cultural establishment he once questioned with such stormy eloquence.

Walter Cronkite praised him as "the rolling thunder of American music." Gregory Peck — who turns out to be a longtime Dylan admirer and friend — compared him to Walt Whitman and Mark Twain. In the 1960s, recalled Bruce Springsteen from the Opera House stage, "the yearning in America for an open and just society just exploded. Bob Dylan had the courage to stand in that fire and capture the sound of that explosion. It was a beautiful call to arms."

More than 200 people thronged the stage for the triumphant finale, including the U.S. Army Herald Trumpets, the Marine Drum and Bugle Corps, the U.S. Army Chorus, the U.S. Naval Academy Glee Club, and past honorees such as the opera diva Leontyne Price and ballet legend Maria Tallchief.

If the tribute to Dylan was the climax of the three-hour show, it was far from the only highlight. There was an almost tangible wave of affection for Bacall, whom emcee Cronkite described as "a sassy blonde with a trombone voice whose unforgettable performances . . . moved one critic to say, 'She must have had a panther in her family tree.'"

The actor Sam Waterston said Bacall had "taught an entire generation how to whistle. And she can utter a profanity and make it sound like she's reading from the menu at an expensive French restaurant."

The actress Christine Baranski led a trio of Tony Award winners in musical tributes that included "Razzle Dazzle" from the musical "Chicago" and "Applause" from the musical of the same name that crowned Bacall's theatrical comeback with a Tony in 1970.

Lynn Redgrave reminded the audience that while best known for his epic movie roles — "Ben Hur," "El Cid," "The Ten Commandments," et al. — Heston was not only a classically trained actor but he had returned repeatedly to the theater to hone the skills that have made him one of the greatest craftsmen of the dramatic stage.

"Your wardrobe's run the gamut from skirts to togas to capes," said singers Gregg Edelman and Tony Roberts in a rapping salute, "And you hardly wore anything in "Planet of the Apes.'"

Joanne Woodward, a 1992 honoree and self-described "Eddie Villella groupie," told of sneaking away from movie sets while filming in New York in the 1950s to attend Villella's ballet performances, but never wholly understanding the muscular magnetism that drew her to him. Years later, Woodward told the audience, her 6-year-old daughter, after seeing Villella dance, finally explained it: "He's like Peter Pan — he can fly!"

None of the honorees has soared further in her career than soprano Norman, a onetime Augusta, Georgia, choir girl who has captured the world's operatic stage as a dramatic soprano of dazzling strength and versatility. Her voice, Sidney Poitier told the audience, "spans the skies, lifts the earth and creates its own universe."

While Norman, regal in a towering midnight blue headdress, looked on with a radiant smile, Poitier told how "she has lifted up her voice and beautified this land."

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